FBIS DAILY REPORT

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INTERNATIONAL ANTI-DRUG COURSE OPENS IN PERU

PY021842 Paris AFP in Spanish 0304 GMT 2 Jul 85

[Text] Lima, 1 Jul (AFP) -- The first international course on new strategies to fight drug trafficking began here today, President Fernando Belaunde Terry has reported. The course is being attended by 30 Bolivian, Brazilian, Colombian, Chilean, Ecuadoran, Paraguayan, Peruvian, and Venezuelan policemen. The Peruvian president, who opened the course, expressed the hope that the exchange of ideas among South American policemen will help intensify the struggle against that social scourge, which leads to crime and death. The course, which will last until 12 July, is being attended by experienced personnel who will later disseminate the new anti-drug techniques in their own countries, General Oscar Vivas Gutarra, the director of the Regional Anti-Drug Training Center (Cercitid), has said. The course is being sponsored by the United Nations and the U.S. Government.

ALEGRETT ON SELA CAPACITY TO HELP NICARAGUA

PA271707 Managua Radio Sandino Network in Spanish 1200 GMT 26 Jun 85

[Text] In an exclusive interview, SELA Secretary General Sebastian Alegrett has stated that in July SELA will know the capacity it has to help Nicaragua in the face of the trade embargo imposed by the United States.

[Begin recording] [Reporter] How would you describe your working visit to Nicaragua?

[Alegrett] First, it was a very stimulating visit in every sense. The talks with the Nicaraguan head of state were very important. As you know, the purpose of this visit, at the invitation of the Nicaraguan Government, was to receive from President Ortega himself a list of Nicaragua's needs, (?as a result of its) evaluation of the consequences of the U.S. embargo on its economy. This was a very basic step so that the SELA Secretariat could begin a process of consultation with SELA member countries to obtain the cooperation needed to counteract, or help counteract, in the best way possible the measures affecting Nicaragua in this respect. The purpose of this visit was well-served, and we followed a very busy and useful schedule.

[Reporter] What steps will be taken now that you know the Nicaraguan requirements?

[Alegrett] As I just told you, the step to be taken is the beginning of a process of quick consultations with member states, the other 24 countries which are (?members) of SELA. They will probably disclose their capacity to help in this type of situation. Later, based on these consultations, we will draft a report on the results of the application of the 222 [not further identified] in this aspect. We hope to implement these measures in mid-July, when the 60 days to make a decision are up. At the same time, we would have to prepare a follow-up report on the implementation of the decision for the next SELA Council meeting in September. In any case, it is possible that the Secretariat will make certain special efforts in some countries which are in a better condition to meet these Nicaraguan requirements. But, in principle, it is a collective action involving all member states.

[Reporter] Which sectors were mentioned in Nicaragua's requirements?

[Alegrett] There are many sectors. You probably know this thoroughly. One of the main concerns is that affecting capital goods and spare parts. Regarding this, the Latin American idea is not only shifting supply sources, but helping Nicaragua implement a technological adjustment to allow the country's industries to continue working without any problems and become less vulnerable in the face of this type of [word indistinct] ties. [end recording]

SOURROUILLE EVALUATES NEW ECONOMIC PROGRAM

PY021739 Buenos Aires TELAM in Spanish 0105 GMT 2 Jul 85

[Text] Buenos Aires, 1 Jul (TELAM) -- The economic program will be successful. This is the hope of the government and the decision of the people, who together will make it possible for us to put an end to inflation and build the definitive base that will get the country moving. With these words, Economy Minister Juan Vital Sourrouille closed his speech tonight over the national radio and television linkup.

We are progressing well, the official said during his speech in referring to the 2 weeks that have passed since the implementation of the anti-inflation program, a program that included a change of the monetary unit, the end to the issuance of money to finance the state, and a price and salary freeze. Sourrouille attributed the progress to the fact that the population as a whole has adopted this offensive as its own, defending the value of the currency, discussing prices, and demanding compliance with the adopted measures. Sourrouille also said that the representative organizations and group leaders in general have expressed their support for the economic program.

However, he made it clear that the struggle against inflation has just begun and that it has not yet been won. Therefore, it is necessary to persevere without letting down one's guard, he said. The economy minister stated that we are still going to encounter difficulties before we dominate inflation. Consequently, he said, we must be prepared for June's inflation rate, which will be high, because it will reflect the effects of the rules that were in force before the economic program was implemented.

Regarding prices, Sourrouille said that many had come down, because many of them had inflation already tacked on and this forced prices up, but when faced with the real possibility that inflation would be reduced, firms made their estimates and they are beginning to adapt to the new situation. He also said that since the reopening of the financial markets on 19 June there has been a significant increase in deposits and he stressed that the citizens of this country are no longer afraid to save money, because the danger of the loss in purchasing power of that money due to inflation is now disappearing.

He also emphasized that the Central Bank has purchased hundreds of millions of dollars since the aforementioned date, a situation, he said, that is an unmistakable sign of the confidence that has been shown for the economic program.

Regarding interest rates, he said that the initial stage of the anti-inflationary program inevitably demands significantly positive interest rates in real terms as a necessary complement to the price policy and to prevent a possible drain of funds from the institutional financial markets. He also stated that the reduction of interest rates that went into effect on 1 July, the increase to 42 days as a minimum deposit time, and the reduction of the margin of the interest rates between what borrowers are charged and depositors are paid are indicating the path toward rationality and an improved efficiency for financial transactions. This is being made possible by the stability of the currency and by the behavior of the population.

He then referred to the measures pertaining to the collection of taxes, such as obligatory savings and the austerity regulations that have been imposed on the public administration, which limit the hiring of personnel and the spending of money on non-priority items and services. These regulations pertaining to a reduction in public expenditure will be reflected in the budget that the executive branch is going to submit to Congress within the next few days, he stated.

He also said that within this framework the Finance Secretariat has ordered that all its current accounts with the Central Bank be closed, and it has opened an account in dollars which will be used to keep track of the use of foreign financing. He stated that no money had been issued during the last 2 weeks of June to finance the national government and that as of now no more money will be issued.

Regarding the price freeze, he said that there are two matters to be considered: Food products have had their prices set by product and not by brand, but the highest quality products have been taken into account; and the rest of the industrial products must be sold at the net cash prices, that is, taking off bonuses and discounts that were invoiced as of 0000 on 13 June, with the exception of those products for which a maximum price has been set.

Regarding salaries, the minister emphasized that purchasing power will be the same at the beginning, at the middle, and at the end of the month. He stated that after the salary freeze and the 22.59-percent salary increase, the salary that will be received at the end of June, which will be spent during July, will be lower in real terms than that for the same month in 1984, which was one of the highest in the past few years, but it will only just be under that of December 1983.

Concluding his speech, Sourrouille stated that our next objective is the month of July, where our effort will be to avoid issuing money to finance the public sector and to control the prices, and this will result in an inflation rate substantially lower than those we have known over the past few years.

LOPEZ URGES RAPID COMPLETION OF JUNTA TRIAL

PY022131 Madrid EFE in Spanish 2146 GMT 1 Jul 85

[By Jesus Fonseca Escartin]

[Text] Buenos Aires, 1 Jul (EFE) -- Today, German Lopez, the secretary general of the Argentine Presidency, stated that it is necessary to complete the trial of the military junta members as soon as possible, so that Argentine can be modernized. The secretary general of the Presidency made this comment today during an interview with Radio Continental in Buenos Aires. This is the first time that a high-ranking official of the government of Raul Alfonsin has made such a statement since the beginning of the trial on 29 April.

Lopez stated that no comparison can be made with any country in the world with regard to concealed crimes that have taken place in the country and the frightening way in which those tragic actions were discovered, even by those closely following these problems.

Afterward, referring to the possibility of reforming the military penal code to allow those who obeyed orders to avoid punishment, Lopez stated that part of the society wants this put aside as soon as possible while another sector states that it is necessary to go on to the bitter end. With regard to these two stands, in the opinion of the secretary general of the Presidency, the government, which assumed power on 10 December 1983, has taken a position of wisdom and moderation in order to bring the trial to a timely end and relegate these events to history.

Lopez stated that the problem of responsibility for the outrages committed during the antisubversive repression, which occurred from 24 March 1976 to early 1983, is tied to the new economic policy announced by President Raul Alfonsin barely 20 days ago. The need for a new mood and a new spirit among the Argentine people, one that makes our society rise to the occasion, admit mistakes, profit from them, and start a reconstruction, is a must at this decisive point, German Lopez stated.

Lopez insisted that President Alfonsin has raised the need for changes in mental attitudes to pioneer a new march toward national reconstruction, with a new spirit. Lopez concluded by stating that the excessive prolongation of the trial of the nine former commanders of the Armed Forces is delaying efforts to overcome basic problems and take positive steps, steps that all of us desire, toward the future.

JAUNARENA DOWNPLAYS MEETING WITH RIOS ERENU

PY281501 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2330 GMT 27 Jun 85

[Text] Buenos Aires, 27 Jun (NA) -- Argentine Defense Secretary Horacio Jaunarena downplayed the political impact of the remarks made by Army Chief of Staff General Hector Rios Erenu, and denied that Army officers, both retired and on activy duty, had asked that Gen Rios Erenu be brought before a court of honor. Jaunarena said that Rios Erenu's remarks do not worry the government, that some of them "are debatable," and that others constitute "conclusive pledges of complete subordination of the Armed Forces to the political power." Jaunarena made this statement during a press conference following 1 and 1/2 hours of talks with Rios Erenu, who was summoned to the Defense Ministry.

The defense secretary indicated that "several important issues" were broached during the conversation, including the Army chief of staff's interview with the magazine GENTE. In the interview, Rios Erenu said, among other things, that the matter of outrages committed during the antisubversive war will have "a final political solution guaranteed by a legal act." He also said that there will be no more military coups d'etat, but added that those of the past have had the "consensus" of the people. Speaking about the one staged in June 1966 in which Radical President Arturo Illia was ousted, Rios Erenu said that it took place because the "government was engaged in political alchemy." Rios Erenu arrived and left the Defense Ministry by car without making any statements.

Jaunarena stated that "if all Argentines are willing to support the institutionalization of the country, we must look for the truly positive aspects of Gen Rios Erenu's remarks." He went on to say that "few statements have been as conclusive regarding the total and effective subordination of the Armed Forces to the political power."

Jaunarena added that the remarks of the military officer do not create a political problem for the government and emphasized that "the Armed Forces unanimously support subordination to the political power." He did agree that some of Rios Erenu's remarks "are debatable, especially some of his interpretations of historical events, although a few of these interpretations were deleted by the magazine due to the lack of space."

Jaunarena indicated that Rios Erenu said that since the trial of the former military junta members is a political problem, it must be resolved by the national government. He went on to say that the officer has not been asked to clarify anything, and that he was not summoned to clarify his statements. He made it clear that "we see each other every other day; and today the four chiefs of staff will attend their usual Thursday meeting with the Defense Ministry, which has no political significance at all."

Asked whether he knew anything about reports that Army officers, both retired and on active duty, were going to ask that Rios Erenu be brought before a court of honor, in view of his allegedly poor performance as chief of staff of the Army, Jaunarena answered: "I am not a fortune teller, but I know nothing about this."

Jaunarena refused to discuss the possibility that the government could issue an amnesty law for military personnel involved in antisubversive repression and emphasized that this problem is being constantly evaluated by the executive branch.

GUGLIELMINETTI TALKED TO GALVAN BEFORE ARREST

PY290009 Buenos Aires BUENOS AIRES HERALD in English 28 Jun 85 p 11

[Text] (NA-DYN) -- Reliable sources yesterday confirmed that Guglielminetti tried several times in the weeks prior to his arrest to get in touch with Interior Under Secretary Raul Galvan, who finally spoke to him sometime between June 6-10, taping the four-to-five minute conversation. In the phone call, the alleged right-wing terrorist denied responsibility for the acts he was accused of and said he was the victim of a campaign out to get him. But the sources refuted press reports that Justicialist Deputy Norberto Imbelloni had a copy of the tape. Nor is it very likely that Guglielminetti not try to avoid being extradited, as some rumors attributed to ministerial spokesmen.

Other reports say Guglielminetti offered to cooperate with Argentine justice "so everything can be cleared up," provided he is first given "all the necessary guarantees."

Meanwhile, today or Monday the Argentine Embassy in Madrid will hand over to Spain's Foreign Relations Ministry the request for the extradition of Raul Guglielminetti, Juan Carlos Fotea, and Daniel Gonzalez. None of the three, who are under preventive arrest, have yet named defence lawyers.

Extradition Requested

PY021837 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2103 GMT 1 Jul 85

[Excerpt] Buenos Aires, 1 Jul (NA) -- Extremely reliable sources in Buenos Aires today revealed that the Argentine Government today sent to Spain, by diplomatic pouch, requests for the extradition of Raul Guglielminetti, Alberto Gonzalez [as received] and Juan Carlos Fotea, members of an ultraright commando. The Foreign Ministry has sent separate requests for extradition, requests that were issued by Mercedes Judge Emilio Pizzoni, and the Buenos Aires trial judge, Juan Carlos Cardinalli. Pizzoni has asked for the extradition of Guglielminetti, Gonzalez, and Fotea for "unlawful association for criminal purposes, possession of arms, and forging documents."

BARRIONUEVO DECLARES FORD STRIKE ILLEGAL

PY011746 Buenos Aires BUENOS AIRES HERALD in English 1 Jul 85 p 7

[Text] (NA-DYN) -- Labour Minister Hugo Barrionuevo yesterday declared the factory takeover by Ford workers illegal and warned that force could be used to dislodge the 4,500 assembly line men. But delegates and workers refused to back the ministry order and warned of "unforseeable consequences" should police be called in to break up the six-day-old protest.

Barrionuevo yesterday went to the Ford factory in General Pacheco to meet separately with company Vice-President Pedro Muller and protest leaders. After two hours of talks with Muller the minister met with workers' delegates for 15 minutes, telling them the takeover had been declared illegal and advising the men to "leave immediately." Barrionuevo warned workers that the illegality of the protest would legally allow Ford to announce "mass layoffs" and to demand police force in retaking control of the plant. He added though that in the case of police presence, no arrests would be made.

A reliable source said Ford officials yesterday assured Barrionuevo that if the protest were to end and workers left the factory "no mass layoffs would follow or sanctions be slapped" on the protesters demanding the rehiring of 33 fired workers.

Barrionuevo afterwards met with protest leader Miguel Delfini who, after consulting delegates, rejected the proposal that the takeover be lifted. The decision by delegates was later approved by a workers assembly. The minister also advised workers "to weigh the consequences of that decision" but Delfini responded with a curt: "We ask that you do the same." Delfini said workers refused to lift the protest "because we have reports that the company is going to go ahead with more layoffs."

Other delegates said Ford had been cutting down production and "did not want to keep producing." One claimed the company produced 90 cars and 50 trucks a day two weeks ago but had reduced production to 59 and 47 last week and planned to reduce autos even further to 34 a day.

Last night Ford in a statement notified all personnel paid on a monthly basis not to show up at the Pacheco plant "until further notice." Ford stated as well that at 2:30 pm yesterday workers cleared out all remaining employees and guards but nonetheless allowed in persons not employed by the company.

The Ford takeover threatened to spill over last week as Mercedes Benz and Renault announced suspensions. Though the two companies later withdrew their plans, deputy and auto workers' unionist Ruben Cardozo yesterday claimed that "Volkswagen is planning to fire 200 workers."

On other labour fronts, government officials are to meet today with Railway Union (UF) leaders to try to avert a 24-hour strike set for tomorrow, and the 210 workers of the Viplastic company in Burzaco return to work today after a 48-hour plant takeover and employer guarantees that overdue wages would be paid.

TRADE MISSION DEPARTS FOR GRAIN TALKS IN USSR

PY020329 Buenos Aires CLARIN in Spanish 1 Jul 85 p 19

[Excerpt] Economic Coordination Secretary Adolfo Canitrot, Foreign Trade Under Secretary Nastor Stancanelli, and other officials yesterday departed for the Soviet Union with the objective of renewing the grain contract that expires in December 1985. The Argentine-Soviet agreement was implemented in 1980, as a consequence of the grain embargo that the Carter administration imposed on Russia following the invasion of Afghanistan, on the basis of a minimum annual sale of 4 million tons of grain to Moscow. The Soviet Government has on several occasions demanded that Argentina try to balance the trade flow because of the large deficit for the Soviet Union by purchasing machinery, tools, and heavy equipment. Argentine purchases amounted to $40 million in 1984, while its sales to the Soviet Union totaled $1.6 billion.

Canitrot departed yesterday with some assurances, such as the commitment that was made on 3 June by Antanas Barkauskas, deputy chairman of the USSR Supreme Soviet, who stressed that his country "will maintain, and to a certain extent expand, its purchases of Argentine meat and grains.

EUROPEAN PARLIAMENT MISSION DISCUSSES FALKLANDS

PY291229 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2300 GMT 28 Jun 85

[Text] Buenos Aires, 28 Jun (NA) -- British Labor Deputy David Martin, a member of the European Parliament, today stated that Argentina "is fully entitled to demand that negotiations over the Malvinas Islands include the sovereignty issue." Martin made this statement during a meeting that his visiting European Parliament delegation held with Radical Civic Union [UCR] Senators Antonio Napoli, Antonio Berhongaray, Luis Brasesco, Adolfo Gass, and Ricardo Lafferriere.

This foreign delegation also includes French representative Colette Gaudox, Netherlands representative Alman Metter, and FRG representative Friedrich Roll, who told the Argentine lawmakers that they were leaving with the impression that the Malvinas Islands "is a national issue." This conclusion was reached because of the similarity of arguments used by senators and General Confederation of Labor leaders with whom the visitors met. The two sectors voiced objections to the use of force in the attempt to recover the archipelago, meaning the 1982 war, but everyone admitted that they wished the operation had been successful.

The meeting, which Peronist legislators did not attend because they were not present in the Senate at the time, focused on the Malvinas issue and the foreign debt, subjects about which the European lawmakers asked most of the questions. Senator Gass and Berhongaray were the spokesmen on the Malvinas issue while Lafferriere handled the foreign debt. Martin, who is a Scotsman, asked whether the tension prevailing between Great Britain and Argentina affected the stability of this South American democracy. Gass answered: "Until this problem is settled, there will always be someone in our country thinking about possible military adventures, and this means that money will be spent on arms instead of on housing or health." Also in response to Martin's concern, Gass said that there is a firm suspicion in the Argentine Government that not only conventional but also nuclear weapons have been installed in the Malvinas. He reiterated his position of resuming diplomatic and commercial relations with Great Britain "once the issue of sovereignty is accepted."

Lafferriere reiterated that the problem of the foreign debt "is more political than economic," pointing out that "if instead of investing the numerous resources for the construction of the military airfield in the Malvinas, Great Britain had used those funds to help Argentina, we would have considered it an important gesture for peace."

The European parliamentarians said that this is a subject that requires a greater international dialogue. They pointed out that this issue cannot be disregarded in the upcoming meeting of European and Latin American Parliaments scheduled for November of this year.

SABATO SAYS PLO NOT TO BE ALLOWED TO OPEN OFFICE

PY291311 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2120 GMT 28 Jun 85

[Text] Buenos Aires, 28 Jun (NA) -- The Argentine Council of the "B'nai Brith" has reported that Jorge Sabato, the Argentine secretary of international relations, has announced that "a decision has been made that there will not be" a PLO office in this country. In a press communique released today, the Jewish organization reported that during a press conference in the Jewish organization's headquarters on 26 June Sabato said that the constitutional government has "defended and asserted that the State of Israel has the right to exist," in reference to votes cast at the United Nations against Israel.

Also at the press conference, Horacio Ravenna, the human rights director at the Foreign Ministry, and Sabato reiterated the position they maintained previously. The communique says that Ravenna pointed out in relation to the identification of Zionism with rascism made by some countries that "we have systematically voted against any resolution in that sense and have even asked for the separation of the paragraphs." Ravenna also said that Argentina "has been systematically against" PLO proposals to declare that the state of Israel does not advocate peace.

In conclusion, the communique indicates that in answer to a question made by a participant in the press conference Sabato said with regard to the opening of a PLO office that "there is none, and there is not going to one. A decision has been made that there will not be such an office."

CSUTCB DEMANDS POSTPONEMENT OF 14 JULY ELECTIONS

PA030118 Paris AFP in Spanish 0049 GMT 3 Jul 85

[Text] La Paz, 2 Jul (AFP) -- The Sole Peasant Workers Confederation of Bolivia (Csutcb) demanded in a press communique published here today that the National Electoral Board, the government, and the National Congress "postpone until 1986 the elections scheduled for 14 July."

The demand by the peasant-workers group came about as a result of what it termed "the nonregistration of more than 50 percent of the peasant masses since the electoral registration books did not reach the countryside," which appeared to be an attempt to manipulate the votes of the rural population.

The Csutcb, led by agrarian leader and presidential candidate of the Tupac Katari-Liberation Revolutionary Movement (MRTK-L), Genaro Flores Santos, gave a 72-hour deadline for the authorities to announce their decision. It also decreed at the same time a "state of emergency" among the Bolivian peasantry. If its request is not heeded, it said, it will call a general strike of that sector, with resulting blocking of highways, until it achieves the total participation of peasants.

A few days ago Roberto Jordan Pando, the official candidate, charged that only 40 percent of the rural population was able to register legally at the notary offices, which would provoke a charge of "electoral fraud."

For its part, the National Electoral Board is carrying out important consultation with affiliate branches throughout the country to adopt a definitive decision on the possibilities of holding the elections on 14 July as scheduled.

MINEWORKERS FEDERATION DECLARES STATE OF EMERGENCY

PY281512 La Paz Cadena Panamericana in Spanish 1130 GMT 28 Jun 85

[Text] Bolivian mineworkers throughout the nation yesterday declared themselves in a state of emergency because of the businessmen's pretension to oppose the nationalization of the Totoral mine and in view of the government's decision to delay responding to the petition submitted by the Bolivian Labor Federation [COB].

After a meeting, the executive committee of the mineworkers federation declared the state of emergency in all mining districts. This decision was adopted because antipatriotic interests manipulated by private businessmen and reactionary groups are using all resources within their reach to oppose the nationalization of the Totoral mine ordered by the government, at the request of the mineworkers, and in view of the abandonment of the enterprise by the Orlandini Company, which according to confirmed reports has been involved in a number of fraudulent actions against the country's economic interests.

This legitimate measure will be firmly defended by the workers who, assuming their own methods of struggle, will not yield to the pressures imposed by the enemies of the fatherland, who disguised as private businessmen are exploiting the natural resources that legally belong to the country and are taking their profits abroad.

They are also demanding that the government immediately answer the single petition the COB submitted on 8 June demanding special attention to their socioeconomic demands.

SANTA CRUZ UNDER POLICE, ARMY CONTROL

PY030307 Madrid EFE in Spanish 0050 GMT 3 Jul 85

[Text] Santa Cruz, 2 Jul (EFE) -- The city of Santa Cruz has been placed under Army and police control in the wake of armed clashes between the police and members of a right-wing political party. The disturbances were ignited by the death of a Bolivian Socialist Falange (FSB) member last Friday when he attempted to escape from the police after being arrested for possession of cocaine. In retaliation for the death of Carlos Cuellar, a 32-year-old FSB member, his fellow FSB members accused the government of being repressive and announced their plan to launch attacks against the police.

During Cuellar's funeral, FSB members fired bursts of machine-gun fire at the main square of Santa Cruz, 900 km east of La Paz. A heavy shoot-out with police forces ensued, and FSB members were wounded.

ORURO HIGH SCHOOL DAMAGED BY EXPLOSION

PY010305 Paris AFP in Spanish 2311 GMT 1 Jul 85

[Text] La Paz, 1 Jul (AFP) -- Authorities of the La Paz education sector today announced that a highly explosive device last night destroyed part of the Oruro High School building, located 180 km from this capital. It has been disclosed the police have started investigations to find the authors of the attack and that the populace is in a state of panic, fearing more attacks against public or private buildings may be perpetrated. A few hours before the explosion, Hugo Banzer Suarez, candidate of the Nationalist Democratic Action (ADN), was proclaimed a candidate to the presidency by the inhabitants of Oruro.

IMF ACKNOWLEDGES COUNTRY'S ECONOMIC CRISIS

PY022032 Madrid EFE in Spanish 1459 GMT 2 Jul 85

[Text] La Paz, 2 Jul (EFE) -- The IMF mission currently in Bolivia has acknowledged the difficulties that the country is experiencing in paying its foreign debt. Today planning Minister Freddy Justiniano said that the mission has conducted an evaluation of the Bolivian crisis and has become convinced of the severe economic decline of Bolivia, which in May 1984 told its main creditors, international private banks, that it would be unable to keep paying its debt.

To amortize its debt, Bolivia would have to use 75 percent of its income from 1985 exports, which is estimated at $750 million. However, the IMF questioned Bolivia's decision not to pay its debt at the third group of negotiations in Washington in May. The IMF doubted the government's claims that it had no foreign reserves, and that the country had no foreign currency to pay for imported foodstuffs and medicines, let alone to pay off obligations contracted during prior regimes. Now the visiting official IMF mission has ascertained that the claims were not exaggerated and that the country is facing one of the most severe economic crises in Latin America.

The minister added that the IMF's acknowledgment of the situation will lead to its backing at the negotiations with the private banks at the fourth round of talks on the foreign debt, which the incoming Bolivian Government will have to undertake after the elections slated for 14 July.

Justiniano ruled out the possibility of an agreement between President Siles Zuazo's administration and the IMF on the grounds that the current administration is on its way out.

PAPER ON BORJA'S ROLE IN SARNEY GOVERNMENT

PY020355 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Jun 85 p 5

[Excerpt] The activities are those of a civilian cabinet chief. The place is the special advisory office to the president, which is occupied by jurist Celio Borja, 57, a former deputy and a former president of the Chamber of Deputies during the Geisel administration, who has been transformed by President Jose Sarney into one of his most powerful aides. On Wednesday, 26 June, when the discussion on the call for a constituent assembly was at its peak, Minister Chief of the National Information Service Ivan Souza Mendes and the leader of the Brazilian Democratic Mobilization Party [PMDB] in the Chamber of Deputies, Pimenta de Veiga, went to see Celio Borja, who was working on the constituent assembly proposal. Businessman Henri Maksoud was also supposed to go. Borja's room has a direct connection with the presidential office on the third floor of Planalto Palace.

On the floor above, the fourth floor, the minister chief of the civilian cabinet, Jose Hugo Castelo Branco, is entangled with the administrative reform of a state machinery that was handed down in creaky condition, according to an evaluation by Jose Sarney himself. Castelo Branco does not hide his intention of running for the government of Minas Gerais in 1986. Asked whether he will be a delegate to the constituent assembly, a deputy, or a senator next year, Castelo Branco joked: "This is discrimination. Why doesn't anyone ask me if I am a candidate for the Liberdade Palace [Minas Gerais Government House]?" In addition to the shadow of Celio Borja that is growing every day, he has to count on the presence of the daughter of Jose Sarney, the sociologist Roseana Sarney, next to him. The land is mined.

EVIDENCE OF DEATH SQUADS FOUND IN BRASILIA

PY011520 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jun 85 p 1

[Text] The Federal District police have obtained evidence of the existence in Brasilia of "death squads." In a warehouse in Cruzeiro, they found a "torture chamber" belonging to Corporal Aurelino de Oliveira, one of the seven persons involved in the killing of reporter Mario Eugenio, on 11 November 1984. Several devices such as racks, an electric cattle prod, and hoods, as well as files containing information on car thieves and their pictures before and after being killed, were found on the site.

A complete dossier on Mario Eugenio, with newspaper clippings on his reports on Correir Brasiliense denouncing the activities of the "death squads," was also found in the warehouse. Shotgun pellets of the same type as the ones used to kill Mario Eugenio were also found.

PRC, CSSR TRADE MISSIONS ARRIVE FOR TALKS

PY020258 Rio de Janeiro O GLOBO in Portuguese 1 Jul 85 p 12

[Text] Brasilia -- Two trade missions, one from the PRC and the other from the CSSR, arrived today in Rio de Janeiro and Brasilia with their bags full of offers. The PRC delegation, led by Vice Minister of Geology and Mineral Resources Xia Gouzhi, is seeking to conclude agreements with Braspetro [Petrobras International, Inc], on oil prospecting in the PRC. The CSSR delegation led by Foreign Trade Minister Bohumil Urban will be offering technology and equipment for irrigation.

Xia will continue the talks that were initiated in Beijing with Braspetro officials. Although he will visit Petrobras facilities and its maritime platforms in Rio de Janeiro and Salvador, Xia is not only interested in negotiating a contract for oil prospecting in the PRC: He also wants to expand bilateral cooperation in the area of mineral resources, especially concerning iron, manganese, and chrome imports. Xia is scheduled to spend 20 days in Brazil and will make contacts in Brasilia, Minas Gerais, and Sao Paulo.

Accord Signed With CSSR

PY010303 Brasilia Domestic Service in Portuguese 2200 GMT 2 Jul 85

[Text] Today, Brazil and Czechoslovakia signed a scientific and technological cooperation agreement. Brazilian Foreign Minister Olavo Setubal and Czechoslovak Foreign Trade Minister Bohumil Urban signed the document this morning at Itamaraty. Setubal stated that this agreement was signed within the framework of the developing relations between the two countries.

[Begin recording] Today's ceremony marks a process of development and expansion of bilateral relations that are no longer limited to commercial exchange and ecological cooperation. I believe this exchange of scientific and technological information, as well as the rapprochement between the scientific communities of Brazil and Czechoslovakia, will bring certain benefits to all productive sectors of our two nations. [end recording]

CONFIDENTIAL OFFICIAL INFLATION STUDY DISCLOSED

PY271654 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jun 85 p

[Excerpt] Depending on price controls, inflation will rise to between 171.1 and 182.3 percent by the end of this year. This is an official projection contained in a confidential Finance Ministry study that was prepared on the basis of information obtained from such institutions as the Special Secretariat for Supply and Prices (SEAP), the Interministerial Price Council (CIP), and the Cetulio Vargas Foundation.

DEL VALLE TO GO TO PERU FOR GARCIA'S INAUGURATION

PY011924 Santiago Domestic Service in Spanish 1730 GMT 1 Jul 85

[Text] Foreign Minister Jaime del Valle, along with Director for Foreign Bilateral Policy Ovalle, will attend the inauguration of the Peruvian president-elect. Alan Garcia's inauguration ceremony is scheduled for 28 July. In addition to participating in all the official ceremonies, Del Valle will hold a meeting with Garcia with the aim of strengthening the ties between the two countries.

FOREIGN MINISTER ON NASA EASTER ISLAND PROJECT

PY030334 Santiago Radio Chilena in Spanish 2330 GMT 2 Jul 85

[Text] Foreign Minister Jaime del Valle stated today that a possible agreement with NASA on the Mataveri Airport will not imply the surrendering of national sovereignty. He added that this agreement will not contemplate the establishment of a foreign military base on Chilean territory. This is included in a statement released today by Minister Del Valle to the press, referring to the U.S. request to use the Easter Island airport for possible emergency landings of the NASA space shuttles. Del Valle presented a summary of the negotiations carried out since the formalization of the U.S. request. Regarding the scope of the request, Del Valle stated:

[Begin recording] On the eve of the beginning of formal negotiations, I want to reaffirm to the country that the agreement proposed by the United States refers exclusively to the emergency landings of space shuttles of the type that are currently in operation. It is appropriate to note that the possible emergency landings at Easter Island include only those isolated flights originating in California [as heard] and those taking off from Cape Canaveral in Florida, which take a different orbit. [end recording]

The foreign minister then explained the need to extend the airstrip at Mataveri Airport for these possible landings, and added that the cultural, archeological, and ecological structure of the island will be preserved. The foreign minister concluded by saying that should this project be approved, it will not imply the surrendering of national sovereignty or the installation of a foreign military base on Chilean territory.

[Begin recording] The development of the island, as a result of this possible new source of progress, will benefit the island itself. Thus, any development project or construction intended for tourism will be in the hands of the inhabitants of Easter Island. I can assure the nation that the agreement, should it be signed, does not imply any surrendering of sovereignty, nor does it contemplate the establishment of a foreign military base on national territory. [end recording]

Talks with Ambassador Theberge on this subject will begin tomorrow, 3 July, at the Foreign Ministry.

STUDENTS EVICTED FROM ARGENTINE CONSULATE

PY282156 Paris AFP in Spanish 0531 GMT 28 Jun 85

[Text] Valparaiso, 27 Jun (AFP) -- Police agents evicted 11 Chilean university students from the Argentine consulate in Valparaiso. The students were asking for the solidarity of their Argentine counterparts against the U.S. request to use Easter Island for possible emergency landings of its space shuttles.

The youngsters, who are also militants of the Christian Democratic Party, came to the consulate in Valparaiso, 140 km northeast of Santiago, in order to deliver a communique to Consul General Arturo Pomar, who did not receive them. Official sources reported that in view of this the students settled down to wait inside the consulate offices, hampering the work of those inside the building located in downtown Valparaiso. Consul Pomar asked the police to evict the students from Valparaiso Catholic University. The police arrived shortly after receiving the request, and the students were taken in police vans to the local courthouse from where they were later released.

On Wednesday, 26 June, the United States and Chile formally began talks aimed at reaching an agreement that would allow U.S. space shuttles to land on Easter Island, which is off the Chilean coast.

TERRORISTS CLASH WITH SECURITY FORCES IN SANTIAGO

PY012132 Santiago Domestic Service in Spanish 1730 GMT 1 Jul 85

[Text] A terrorist died and another was seriously injured in a clash with security forces at the intersection of Los Morros and Alejandro Guzman Streets, [words indistinct] in Santiago. The terrorists, who were riding in a small Renault car, were intercepted there by a security agents patrol. The terrorists opened fire, which was returned by the agents, and as a result a subversive, who has been identified as Gilberto Victorino Velaszo, 33, died. His address was at 1796 (Las Carretas) Street, and his death was certified at (Barrio Iglesias) Hospital. Security sources have identified the injured terrorist as Pablo Guerrero Gonzalez, 22. Guerrero Gonzalez resides in Nunoa District.

The car, with license plate No RS-1624, had custom-made pockets which concealed six false plates, an investigations [words indistinct], a bottle of inflammable liquid, that is, a Molotov cocktail, 5 liters of gas, and several homemade bombs. In a raid on the house of the dead terrorist on (Las Carretas) Street, 40 kg of a powerful explosive, whose specifications have not been revealed, were found.

STUDENT'S HOUSE RAIDED; MATERIAL SEIZED

PY020319 Santiago Radio Chilena in Spanish 2300 GMT 1 Jul 85

[Text] According to police sources, a house located in front of the Quilin roundabout has been raided and its inhabitant arrested. The individual arrested has been identfied as 28-year-old bachelor Jose Molina Otaro, a member of the Manuel Rodriguez Front. The raid was carried out between 1630 and 1700 at 3788 Padre Mariano Street in the Macul neighborhood.

The sources stated that Molina Otaro was a comrade of the person shot dead this morning during a clash that took place in La Cisterna neighborhood. Molina is a university student. It was stated that in his home the security agents found subversive literature, material for manufacturing bombs, instructions on how to manufacture bombs, two chargers with 12 bullets, one electronic mimeograph machine, unused passports, a map of Tarapaca Province, and one noting police units.

The sources added that the person killed this morning Gilberto Velaszo, had an arrest order issued by the Concepcion military prosecutor pending against him and that he had been identified as one of the persons who perpetrated an attack against the Chihuallante Carabineros station some time ago. The information stated that both Gilberto Velaszo, who was killed, and Pablo Yury Guerrero Gonzalez, who was wounded, were members of the Manuel Rodriguez Patriotic Front.

EXPLOSION IN LAS CONDES KILLS 1, INJURES 10

PY300333 Buenos Aires TELAM in Spanish 0216 GMT 30 Jun 85

[Text] Santiago, 29 Jun (TELAM-ANSA) -- A young man died and 10 other people were wounded when an explosive device went off during a birthday party for a Chilean Army colonel's daughter. Exact details of the explosion, which took place at midnight in the San Luis high-rise apartment building in Las Condes, a residential neighborhood of Santiago, are still unknown. Police sources today reported that the fatality, Francisco Mena, 25, died from cardiac arrest at a Santiago hospital 3 hours after the explosion.

The birthday celebration was for Ximena Quinteros, the daughter of an Army colonel and wife of a cartographer of the Military Geographic Institute. There were 26 guests at the party. In addition to the person who died, 10 other guests were injured. One of them has been hospitalized and is in serious condition.

The security services have yet to establish the cause of the explosion but local radio stations have reported that it was caused by an explosive device.

Army Issues Communique

PY020339 Santiago Domestic Service in Spanish 2300 GMT 1 Jul 85

[Communique issued by the Army Public Relations Department in Santiago -- date not given]

[Text] In view of the information disclosed by the Chilean media regarding the explosion that occurred last Friday, 29 June, in apartment No 44 of Building B of the San Luis residential complex in Santiago, the Public Relations Department of the Chilean Army hereby informs the public:

A. In order to determine the origin of the explosion and to clarify the facts of this explosion, it has been decided that the third judge advocate of Santiago begin the pertinent investigations;

B. In view of the possibility that the cause of the explosion may have been the detonation of a cannon shell, as has been stated by some reports, the Army makes it clear that it is not responsible for the effects caused by the illegal and prohibited possession of war materiel by civilians;

C. Whoever may possess or find any device of this kind must report to the military unit or the respective duty officer as soon as possible so the device can be removed and deactivated by specialists. Not to do so means being liable under the current laws in force.

TRAIN CONDUCTOR KILLED IN BOMB EXPLOSION

PY280343 Paris AFP in Spanish 0309 GMT 28 Jun 85

[Text] Valparaiso, 27 Jun (AFP) -- The conductor of a passenger train died today when unknown persons detonated a bomb which had been placed on the railroad that links Valparaiso and Santiago. Police sources have reported that when the train arrived at Limache, 130 km northeast of Santiago, the conductor realized that there was something on the rails and got off to remove it while a few passengers watched from a safe distance. The device went off, hurling Carlos Valverde, the conductor, several meters. He died en route to a hospital.

FORMER U.S. SENATOR WOUNDED IN GUERRILLA ATTACK

PA030448 Paris AFP in Spanish 0410 GMT 3 Jul 85

[Text] Bogota, 3 Jul (AFP) -- Former U.S. Senator Robert Fulton was wounded today in an attack by guerrillas on the El Tench gold mine, located near Andri in the southwestern province of Antioquia, the police have reported.

Fulton, 62, who has been engaged in mining in Colombia for more than 5 years, sustained several bullet wounds and was treated in a clinic in Medellin, capital of Antioquia, 470 km from Bogota. One of the doctors at the clinic where the wounded former senator, who chose to remain anonymous, was hospitalized, consulted AFP by telephone and reported that Fulton lost his left eye as a result of a bullet wound and that he was also slightly injured in the left shoulder, but that his life is not in danger.

In that region that produces 75 percent of Colombia's gold according to a miners firm of Antioquia, there are groups of the Army of National Liberation (ELN, pro-Castroite), which have recently engaged in sacking the precious metal mines and resorting to extortion of their owners.

REGIONAL RED CROSS FOUNDER VICTIM OF M-19 RAID

PA021357 Bogota Cadena Radial Super in Spanish 0000 GMT 2 Jul 85

[Text] Ibague -- The civilian victims of today's bloody 19 April Movement [M-19] raid on La Herrera corregimiento, Rio Blanco municipality, was identified as Angel Maria Ospina, founder of the regional committee of the Red Cross. Several civilians were also injured, but their condition is not known due to the fact that the telephone lines were cut. There is no information regarding other victims.

Colonel Luis Rodriguez Rodriguez, commander of the 6th Brigade, left today for (El Chaparral) municipality from where he will personally direct the search operation for the guerrillas who occupied La Herrera corregimiento. According to official sources, sporadic clashes are being reported only 5 km from (El Chaparral). The soldiers have been able to locate the rebels who are attempting to leave the area.

1-YEAR TRADE AGREEMENT SIGNED WITH ECUADOR

PA272359 Bogota EL TIEMPO in Spanish 23 Jun 85 p 9 A

[By Eduardo Garcia Martinez]

[Text] Cartagena, 22 Jun -- Colombia and Ecuador have signed a 1-year bilateral trade agreement here that will go into effect on 1 July. In addition, the two parties will meet every 3 months to assess its implementation and results.

The two country's commissions, headed by Colombian Development Minister Gustavo Castro Guerrero and Ecuadoran Industries, Commerce, and Integration Minister Xavier Neira Menendez, met here for 2 days to revitalize the trade relations between the two countries. They agreed that these relations must be an instrument to increase the two nations' development and to promote the substitution of each other's products for items now imported from third countries in an effort to reach a balance in their trade. They said that the excellent political climate of their trade relations must be an incentive for growth in their commercial exchange.

In the agreement, Colombia said that during the second half of 1985, it will not authorize permits for the importation from other countries of the following products made in Ecuador: finished lumber [madera chapada]; plywood; pressboard; nonelectric stoves; electric refrigerators for home use, nonelectric refrigerators for home use; wooden furniture; zippers; and ballpoint pens.

During the same period, Ecuador will not authorize permits for the importation [from other countries] of these products made in Colombia: polyethylene, kitchen and bathroom sinks, bidets, toilet seats, motor compressors, refrigeration compressors, sewing machines, manual tools except for spades, shovels, hoes, and pickaxes, files, and rasps.

The two countries promised to give priority treatment to other products not included in these lists, and not to discriminate against any product that could hurt bilateral trade. Communications and verification mechanisms will be established to guarantee the proper implementation of this agreement.

The two governments decided to encourage and stimulate the creation of binational enterprises, in both Colombia and Ecuador, so that business sectors can have an active participation within the framework of the commercial relations of the two countries. A meeting of businessmen of the automobile sector will be promoted within a period of 45 days in order to identify and establish measures that strengthen the development of that sector in both Colombia and Ecuador.

Castro Guerrero said that the two countries expect much from these trade agreements and noted that a more dynamic policy is being applied to the integration process in the region.

BRIEFS

POLICE, MILITARY PROMOTIONS -- Several police and Armed Forces officers will be promoted tomorrow at a ceremony to be headed by President Belisario Betancur. Police Director Victor Delgado Mallarino will be the first 3-star general. General Augusto Moreno Guerrero, the new commander of military forces, is the first Colombian Air Force [FAC] officer to become part of the military forces command. He is also the first FAC officer to get three stars. Police planning chief Luis Eduardo Castillo Amaya will be promoted to major general and Colonel Miguel Antonio Gomez Padilla will become a brigadier general. Navy Commander Tito Garcia Motta will receive the rank of admiral. [Summary] [Bogota EL TIEMPO in Spanish 12 Jun 85 p 3 A PA]

MINOR EXPORTS INCREASE -- According to the latest report issued by the Export Promotion Fund [Proexpo], minor exports such as sugar and coal, increased to $565 million over the first 5 months of the year. Last year's minor exports for the same period totaled $481 million. The comparison shows a relative increase of 17.4 percent. [Summary] [Bogota EL SIGLO in Spanish 21 Jun 85 p 10 PA]

ACETONE CANISTERS SEIZED -- Narino Department -- The National Police's Antidrug Division seized a shipment of 200 canisters of acetone, several gallons of ether, and other compounds used to process cocaine in an operation along the banks of the Putumayo River. No arrests were made, as the persons who were unloading the shipment from Brazil fled. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 8 Jun 85 PA]

ALAN GARCIA ON INAUGURATION, FOREIGN DEBT

PY291632 Lima Domestic Service in Spanish 0030 GMT 29 Jun 85

[Excerpts] President-elect Alan Garcia Perez today repeated his appeal for solidarity and understanding among all Peruvians in order to create prosperity for the immense majority who have never received any benefits from the state. He particularly expressed his concern for the 70 percent of the population who live under traumatic conditions of hunger and misery. Garcia Perez made these statements to the press after visiting Apostolic Nuncio Mario Tagliaferri to greet him on the occasion of tomorrow's celebration of the Day of the Pope.

[Begin recording] [Garcia] I have come to convey my greetings on the Day of His Holiness. I have also had the satisifaction on this occasion of meeting with the president and of talking briefly with him on a few matters related to the transfer of power and some protocol aspects of the inaugural ceremony.

[Reporter] Do you know who has been invited?

[Garcia] I understand that President Alfonsin, President Lusinchi, President Betancur, President Luis Alberto Monge of Costa Rica, Salvador Jorge Blanco of the Dominican Republic, President Ardito Barletta of Panama, and President Sanguinetti have confirmed that they will attend. In addition, some heads of government, including Felipe Gonzalez of Spain and Bettino Craxi of Italy, a few vice presidents from other countries, and some foreign ministers from Arab countries will be present. The ceremony is very important, because it marks the consolidation of democracy in Peru and also the economic and social strengthening of democracy in Peru.

[Question indistinct]

[Garcia] I think that the foreign debt is now the fundamental issue for Latin America and the Third World. It is the [word indistinct] expression of the unequal trade exchange from which the poorest countries of the world are suffering. It is obvious, as we all know, that the debt cannot be paid under the present conditions and that an agreement is required among the American countries. Furthermore, a decision is required, not merely at the government level but rather a national decision, to face the possible difficulties that may have to be overcome in order to guarantee the economic sovereignty of the country and our future right to development and prosperity. Any individual or isolated solution on the part of our countries can only lead to more problems later. I feel certain that the nations of Latin America will attain a sufficient level of maturity to deal jointly with this subject and find a solution to it.

[Reporter] Is this the position stated before the United Nations?

[Garcia] This is not a unilateral Latin American (?position), but I believe that we gain respect for the right of our peoples to development. The foreign debt has many origins, and the responsibility is shared by our previous governments and the foreign banks that freely granted us loans. The debt has increased because of the usurious interest rates imposed by the richer countries, and in this situation I believe that we debtors depend on the creditors, but the creditors also depend on us, and that we have to find a common solution.

[Reporter] What is the position of the American Revolutionary Popular Alliance?

[Garcia] The one I have been explaining. Peru needs development, and our people need to guarantee their future in regard to food, health, and work.

The scarce resources we have in the midst of this enormous and dramatic poverty in which we live cannot be sacrificed for interests that are not priority ones. I might say that I am now beginning to realize that the economic and social situation we will inherit on 28 July is worse than we thought earlier. [end recording]

APRA'S VILLANUEVA PREDICTS 'RADICAL CHANGE'

PM281345 Madrid EL PAIS in Spanish 21 Jun 85 p 2

[Antonio Cano report: "APRA Leader Announces Formation of Revolutionary Government in Peru"]

[Text] The 70-year-old Armando Villanueva represents the most leftist current in the American Revolutionary Popular Alliance (APRA), and his role could prove decisive for the stability of the government which will be formed after Alan Garcia's inauguration as president 28 July. Until the failure of his candidacy in the 1980 elections, Villanueva was the undisputed leader of the party, over which he still retains considerable influence. The APRA leader announced in Madrid, where he arrived last week, accompanying Alan Garcia, that the next Peruvian Government "will be revolutionary." Villanueva, a member of APRA's Political Committee and a recently elected senator, does not display as much interest in being a member of the next cabinet as in returning to the party's secretary generalship, from where he can exercise better supervision of government policy. "I believe that I will have enough with the legislative task, but, according to what I am told, there is a movement for my return to the party's secretary generalship at the congress which will be held 12-14 July."

The APRA leader pointed out that the next Peruvian Government is to implement a revolutionary policy. "I want to restore the word 'revolution' to the dictionary. We are going to create a decentralized government, develop agriculture, and reform certain existing regulations concerning relations with foreign capital. We do not want to take away from anyone the wealth which they legitimately acquired, but we do want to create wealth for those who do not have it and put an end to a policy of privileges. We are very firmly resolved to support national capitalism rather than the multinationals." In Villanueva's opinion, Alan Garcia government's program is to be the same which was laid down by APRA's historic leader, Victor Raul Haya de la Torre: "Action against imperialism, gradual nationalization of the land and industry, unity through the integration of the Latin American peoples, solidarity with all the oppressed peoples of the world, and peace. I am certain that Haya's disciple, Alan Garcia, will come to power in order to achieve these aims."

Villanueva did not wish to speak of the president's subordination to the party, but stressed that Alan Garcia "is the candidate chosen by APRA, and the government which will be formed will be an APRA government." The veteran leader asserted that "the Armed Forces are fully identified with the constituional order and respect APRA's victory."

Villanueva asked that "Ronald Reagan realize that Peru is heading for a radical change," and announced the next government's intention to strengthen its relations with the United States, the USSR, and Cuba. "I respect Fidel Castro's government. We may not agree in some respects, but I believe that Castro has created a great government for his people. I believe that relations with Cuba should be intensified, and I hope that with the new government full relations will be restored." Currently, the two countries do not exchange ambassadors.

Regarding Shining Path, Villanueva proposes "a policy of dialogue." "I have proposed the setting up of a nongovernmental committee to negotiate with the terrorists, and this represents no discrepancy with Alan Garcia's stance. He has said that the state cannot negotiate with criminals, and I say that the state cannot, but a committee of private citizens can."

MINISTER ON PRELIMINARY AGREEMENT WITH IMF

PY292204 Paris AFP in Spanish 1515 GMT 29 Jun 85

[Text] Montevideo, 29 Jun (AFP) -- Economy and Finance Minister Ricardo Zerbino has reported that the preliminary agreement between the Uruguayan Government and the IMF provides financial assistance totaling $270 million. Zerbino, who on Friday ended negotiations in New York seeking a rescheduling of the country's foreign debt, stated that Uruguay will reportedly obtain resources amounting to $120 million from the IMF and $150 million from international banks. Zerbino stated that foreign support is the essential element of the economic-financial program agreed upon with the IMF. The program will be in effect in Uruguay for 1 year beginning on 1 July. The plan, the nonrecessive nature of which was stressed by Zerbino, sets as main goals the reduction of the fiscal deficit to 6 percent of the gross domestic product and an inflation rate not higher than 60 percent.

According to analysts, the acceptance of the plan by the IMF supposes a support by that organization for the aspirations of Uruguay concerning the refinancing of the foreign debt, which amounts to approximately $5 billion. The Uruguayan Government, which this year must pay $410 million, has asked the creditor banks for an overall rescheduling of the foreign debt for the years 1985 and 1986.

POLITICAL PARTIES IGNORE MILITARY REGIME DECREE

PY011804 Madrid EFE in Spanish 1812 GMT 1 Jul 85

[By Alberto Pepe Leira]

[Excerpts] Montevideo, 1 Jul (EFE) -- The Uruguayan political parties have decided to ignore the agreement reached with the Armed Forces and, therefore, will not call the constituent assembly which was to be installed today. This action reveals the strength of the civil government.

A decree issued by the military regime calling for elections on 24 November 1984 said that Congress should amend the Constitution between 1 July and 31 October and that the new constitution should be subject to a referendum in November. The military regime issued the decree following the agreement reached with the Colorado, Broad Front, and Civic Union parties.

Last night, the Broad Front, a leftist coalition, decided to endorse the abolishment of the decree calling for the constituent assembly. On 29 June, the ruling Colorado Party convention unanimously recommended that its legislators not call the constituent assembly to amend the Constitution. The National (Blanco) Party, which did not participate in the political dialogue or in the agreement that set in motion the democratization process in Uruguay, has never recognized the decree.

The amended constitution was to have established the future role of the National Security Council, created under the dictatorship; the military courts' jurisdiction over subversion cases; the state of insurrection; and the regulations for promotions within the Armed Forces.

However, the fact that the dictatorship's decree has been ignored does not mean that the Uruguayan Constitution will not be amended through the regular democratic channels. In its plenary session, the Broad Front pointed to the need to democratize the Constitution. The National (Blanco) Party will also promote a constitutional reform. The party wants municipal and national elections held on different dates. The Christian Socialist Civic Union supports this initiative. Eventually, the Broad Front may also endorse this position. The ruling Colorado Party appears less interested in amending the Constitution than the other parties do.

LUSINCHI HOPES CONTADORA EFFORTS TO CONTINUE

PA011929 Madrid EFE in Spanish 1719 GMT 30 Jun 85

[Text] Caracas, 30 Jun (EFE) -- Venezuelan President Jaime Lusinchi said that the Contadora Group is undergoing a period of great confusion, but he expressed hopes that the group's peace efforts will continue forward. We hope that the elements that are involved in the Central American issue will make their contribution to facilitate the group's action, the president said.

Contadora is made up of Mexico, Panama, Colombia, and Venezuela, and seeks the achievement of peace in strife-torn Central America through diplomatic and political actions.

The Venezuelan president made this statement in the western Venezuelan city of Maracaibo. It was released today by official sources. It comes 48 hours after Lusinchi met in Caracas with representatives of Nicaragua and the United States. The president met with Nicaraguan Vice President Sergio Ramirez and Harry Shlaudemann, roving U.S. ambassador for Central America, only a few hours apart, and spoke with both concerning regional problems.

Referring to this, Venezuelan Foreign Minister Simon Alberto Consalvi said that the visits were incidental to the Contadora Group's efforts, and he ruled out the possibility that they had an influence on the strengthening of the process.

PETROVEN PRESIDENT ON OIL MARKET, GUASARE PLANS

PA270523 Caracas EL UNIVERSAL in Spanish 20 Jun 85 p 2-2

[By Avilio Trujillo]

[Excerpts] Caracas, 20 Jun -- Petroven President Dr Brigido Natera pointed out yesterday when he was questioned by the Permanent Senate Commission on Mines and Hydrocarbons that OPEC is a determining factor in averting a price war in the world oil market. The high-level official described the oil situation as difficult, "because at this time we are exporting less than our stipulated quota, which has caused anxiety and concern in the country."

Natera provided an in-depth explanation of the negative factors that are affecting the present production and prices of oil. Natera said that exports are below the forecasts made for our countny, and added: "what is happening with the prices is a consequence of pressure from the importing countries to force us to lower prices." This, he said, makes it necessary to analyze the subject very carefully and to take some provisions before adopting a resolution similar to the one adopted by Mexico.

What the world needs is a feeling of stability, of good sense in what is being done. This, unfortunately, is not what you get with this lack of discipline within the organization, he added. Brigido Natera indicated that Venezuela's policy is to keep the prices at their present level. He said that the president and Minister Hernandez Grisanti have been advised to do so.

Dr Natera pointed out, within his general comments on the world oil market: "There is a magnificent reason for Venezuela to stay in the OPEC." He said that it is necessary to support the existence of OPEC because it is an institution designed to prevent a price war on the world oil market.

He added: "A price war is not to anyone's advantage, because if the demand is limited and we are exporting 1.4 million barrels at $20.00, then to export the same number of barrels at $10.00 is no advantage at all." When asked about Venezuela's position at the upcoming OPEC meeting in Vienna, Natera said that it is up to the energy and mines minister, who will represent the country in this important event, to provide this information. Although he added that Petroven does not yet have a definite program for the development of Guasare, Brigido Natera said that the exploitation of coal is a very attractive possibility and that Venezuela can participate with success in this. He acknowledged that the coal market is tight, but said that ours is a high-quality product. He revealed the Petroven, if necessary, could become an energy enterprise. This enterprise, he added, would exploit coal and sell it even cheaper than fuel oil.

According to the oil expert, projection studies of the coal market indicate that between 1978 and 2020 consumption of the product would be equivalent to some 118 million barrels of oil. He stated that the demand for oil has decreased and that a percentage of this reduction is caused by the replacement of that residual fuel with coal. Nevertheless, he emphasized, it is necessary to be careful to see that this market is not hurt by a glut in the energy supply. He pointed out that the fact that coal is to be exploited in Venezuela does not imply that from now on this fuel will be produced as the only source of foreign exchange. He said that the current price of coal is $40.00 per metric ton, a measure equivalent to four barrels of oil, which cost $22.00 a barrel.

Natera believes that the coal business is tough and competitive because the companies currently dealing in this fuel have extensive experience and, therfore, it is necessary to make a thorough analysis of the Guasare project. In conclusion, he said: "This is a new, large-scale project, and thus it requires the participation of highly qualified companies."

SPECIALIZED DRUG CONTROL COMMANDOS CREATED

PA030153 Caracas Television Service in Spanish 0000 GMT 2 Jul 85

[Report by Martin Pacheco]

[Text] To the Armed Forces of Cooperation [FAC], drug trafficking is public menace No 1. Like many other sectors of the Venezuelan society, FAC leaders believe that drug trafficking must be fought wherever it appears and with whatever means it takes to eradicate it. It has therefore concluded that the best way to deal with the problem is to create a special, technically proficient corps of men and women who will persistently and effectively combat drugs. These special drug-control commandos will begin to operate throughout Venezuela, with special emphasis at the border areas. Their guiding principle will be to fight to the death those who irresponsibly seek easy self-enrichment by endangering Venezuelans' lives. FAC General Commander Division General Alfredo Sandoval Hernandez reported today that the special commandos will begin work on 5 July.

[Begin recording] They will be particularly active in the border states but will work in the other states as well, because, as you know, drug trafficking is a problem not only at the borders but throughout the country. [end recording]

The National Guard [synonymous with FAC] plays a key role in the battle against drug traffic. However, all sectors of Venezuelan society must cooperate to eradicate this menace to the nation's youth. With the creation of these special drug control centers, the National Guard's position within the Armed Forces will be enhanced.

PRESIDENT PRESIDES OVER CABINET MEETING

FL021945 Mexico City NOTIMEX in Spanish 1825 GMT 2 Jul 85

[Excerpts] Mexico City, 2 Jul (NOTIMEX) -- Mexican President Miguel de la Madrid has confirmed the country's stand of contributing to stabilizing the international oil market, preventing abrupt movements, and maintaining the country's export level. The evolution of the economic policy and the strategies designed to increase non-oil exports were also discussed at an economic cabinet meeting presided over by De la Madrid.

Regarding oil, the president was told about various government efforts currently under way to defend the international oil market, including contacts with other heads of state like Ecuadoran President Leon Febres Cordero and Venezuelan President Jaime Lusinchi. The activities being carried out prior to the next OPEC meeting to stabilize the oil market, during joint visits by a delegation comprised of Venezuelan, Kuwaiti, Algerian, and Libyan representatives, were also discussed, as were the various contacts maintained with exporters and importers. The urgent need to undertake effective actions characterized by solidarity to confront the current difficulties in this area were explained during these visits and contacts.

Mexico will attend the next OPEC meeting in Vienna as observer, represented by a delegation led by Energy and Mines Secretary Francisco Labastida.

URUGUAYAN FOREIGN MINISTER ARRIVES FOR VISIT

Attends Sepulveda Hosted Dinner

PA292002 Mexico City XDHF Television Network in Spanish 0300 GMT 28 Jun 85

[Text] Mexican Foreign Secretary Bernardo Sepulveda Amor said the Contadora Group has never been partial and as a mediator the Group has always rejected all types of prepotent attitudes that make impostions. The Mexican official made this statement during a dinner he hosted in honor of Uruguayan Foreign Minister Enrique Iglesias, and added that lack of tolerance, mistrust, and intervention hinders understanding and negotiations in Central America.

Foreign Secretary Sepulveda added that those who benefit from the Central American confrontations have not stopped provoking conflicts and problems among the Central American nations. He said these confrontations are against all norms of coexistence and the basic security rules of Central American nations. The Mexican foreign secretary pointed out that the situations, which have been promoted by the warmongering trends and the spirit of confrontation, seem to lead to a most critical moment in the hemisphere's history: war among brothers.

Uruguayan Foreign Minister Enrique Iglesias praised Mexican foreign policy. He said he has learned that respect and dignity are always upheld in this country. The Uruguayan foreign minister added that great storms are threatening the legitimate right of Latin Americans to live in peace. It is noteworthy to remind those who promote confrontations that we all live in Latin America and an armed conflict would involve all countries, he added.

Uruguayan Foreign Minister Iglesias arrived early this morning in Mexico City from Argentina. At 1200, he placed a floral wreath to the monument of the Heroic Children. He was received by President Miguel de la Madrid in the afternoon at Los Pinos.

Expresses Solidarity

FL291515 Mexico City NOTIMEX in Spanish 0120 GMT 29 Jun 85

[Excerpt] Mexico City, 28 Jun (NOTIMEX) -- The Uruguayan Government maintains solidarity with Mexico and supports its effort to achieve a negotiated peace in Central America, Uruguayan Foreign Minister Enrique Iglesias said here today.

During the second day of his official visit to this country, Iglesias said Uruguay shares the concern of most of the countries on the American continent to achieve a just settlement in Central America. He said the goal of his visit to Mexico is, among other things, to express Uruguayan willingness to support the initiatives of the Contadora Group, whose members are Colombia, Mexico, Panama, and Venezuela.

Signs Cooperation Agreement

FL291540 Mexico City NOTIMEX in Spanish 0040 GMT 28 Jun 85

[Excerpt] Mexico City, 27 Jun (NOTIMEX) -- Today, Mexico and Uruguay have signed a cooperation agreement covering the fields of culture, education, and sciences which will also impede the illicit import, export and sale of objects that are part of the cultural heritage of each country.

Mexican and Uruguayan Foreign Secretaries Sepulveda Amor and Enrique Iglesias signed the agreement, which strengthens the relations existing between their centers of higher education. The two officials pledge to protect the property rights of authors and composers as provided for by international law and to facilitate the exchange of publications and documents.

NICARAGUAN VICE PRESIDENT ARRIVES 2 JULY

PA022232 Managua Radio Sandino in Spanish 1750 GMT 2 Jul 85

[Text] Nicaraguan Vice President Sergio Ramirez Mercado arrived this morning in Mexico City, where he will discuss the Central American conflict with Mexican President Miguel De la Madrid. This visit will complete a tour of the Contadora Group countries undertaken by the vice president to brief those countries' leaders of Nicaragua's stance on the region's situation.

Ramirez Mercado will hold a press conference in Mexico City during which he will report on the results of his talks with President De la Madrid. Immediately thereafter he will depart to visit various South American states.

REACTION TO KIDNAPPING OF PSUM PRESIDENTIAL CANDIDATE

PSUM Leaders Denounce Kidnapping

FL021753 Mexico City NOTIMEX in Spanish 1512 GMT 2 Jul 85

[Excerpt] Mexico City, 2 Jul (NOTIMEX) -- A commission comprised of members of the opposition United Socialist Party of Mexico (PSUM), led by Gilberto Rincon Gallardo and Rolando Cabrera, met last night with Government Secretary Manuel Bartlett Diaz to denounce the kidnapping of Arnoldo Martinez Verdugo. According to them, at about 1400 local time yesterday five armed individuals kidnapped Martinez Verdugo with great show of force from his offices in Colonia del Valle, in the (southern part of the capital).

Martinez Verdugo is candidate for federal deputy and formerly served as secretary general of the now-defunct Mexican Communist Party, which also nominated him as presidential candidate.

The government secretary has promised to investigate the case and punish those responsible in accordance with the law.

For its part, the ruling PRI's Information and Propaganda Secretariat has publicly condemned the PSUM leader's kidnapping because terrorism and violence are enemies of democracy and human values.

PRI Condemns Act

PA022231 Mexico City XEW Television Network in Spanish 1300 GMT 2 Jul 85

[Text] Arnoldo Martinez Verdugo, a United Socialist Party of Mexico, PSUM, leader and former presidential candidate for the party, was kidnapped yesterday in this capital, according to a press spokesman of the PSUM political party. Witnesses revealed that 60-year-old Martinez Verdugo was kidnapped by five armed men who identified themselves as members of the Poor People's Party. Martinez Verdugo was abducted at the socialist and worker movement's study center, of which he is director. After condemning the act, the PSUM issued a communique stating that it is prepared to exert itself as much as necessary to attain the release of its deputy candidate for the 10th District in this capital.

Martinez Verdugo was a presidential candidate in 1982, but his party came in third during the vote count. He is currently a member of the PSUM directorate. He is in fact number one in the list of deputy candidates to get the largest amount of votes. He works as professor at the Political Sciences Faculty in Mexico's National Autonomous University and is well-known for his newspaper articles. Upon learning of his kidnapping, the PRI issued the following communique:

The PRI publicizes its strongest rejection of the kidnapping of the distinguished PSUM member and deputy candidate for the federal district, Arnoldo Martinez Verdugo. Only extreme irresponsibility toward Mexico can lead to such acts. The party condemns the use of force and provocations; and within the framework of the current electoral process, the PRI strongly advocates respect for humanity and ideas. Violence and terrorism are enemies of democracy and human values. The PRI urges the participants in the current electoral campaign and all the citizens to act with responsibility, serenity, and patriotism.

REPORT ON TRADE AGREEMENTS SIGNED WITH CUBA

FL011645 Mexico City NOTIMEX in Spanish 1859 GMT 30 Jun 85

[Text] Mexico City 30 Jun (NOTIMEX) -- After concluding a 7-day visit to Mexico City, Irma Sanchez, Cuban minister president of the State Committee for Material and Technical Supply, said that Mexico and Cuba have signed agro-industrial, sugar, and metal-mechanical trade agreements. Sanchez acknowledged Mexico's willingness to increase and strengthen bilateral cooperation, thus permitting Cuba to normalize its commercial balance which, up to this moment, has been favorable to Mexico. The minister also said that many possibilities and great interest exist for developing cooperation in the pharmaceutical industry as well as developing maritime transportation. The importance of signing an agreement in this area was stressed.

CONATO STRIKE CONTINUES; CLASHES REPORTED

PA030252 Panama City Panavision in Spanish 0000 GMT 3 Jul 85

[Excerpts] During the second day of a strike convoked by the National Council of Organized Workers [CONATO], various organizations in the capital gathered around Conato headquarters; these included workers of the Hydraulic Resources and Electrification Institute [IRHE], National Telecommunications Institute [INTEL] construction sectors, and various workers groups from several sectors in the metropolitan area. They paralyzed traffic from the early morning hours, shouting slogans against the amendments to the labor code and the national government's economic measures.

At noon a large group of demonstrators started a march on Central Avenue, along a route that would end at the Conato headquarters again. The stores along the route closed their doors as a security measure to safeguard their merchandise and employees. The demonstrators shouted slogans and demanded that the citizens observing the event from their houses join the march.

The situation in the capital's main streets was also chaotic because traffic to and from the capital was blocked off. During the afternoon hours, when the situation had become normal and everyone was waiting for the final march, which was scheduled for approximately 1600, violence broke out again. A group of unidentified demonstrators saw that some workers had chosen to work as usual at a construction site near Conato headquarters, located on Avenida Peru. Unidentified persons threw rocks and broke into the construction site, threatening the workers. The street was immediately closed off, while police members took positions at the Finance Ministry, waiting for orders to clear the street.

In addition, at around noon an Education Ministry car was overturned by student groups -- the vehicle was being used by Channel 11 Education Television personnel -- in front of the gas station at the intersection of the Manuel Espinoza Batista Avenue and the street leading to the university campus. The traffic post in front of El Carmen Church was also destroyed, while an IRHE car driving through the area was stopped and set fire by the students, who slowly enlarged their barricades in the area, using various objects. At around 1500 a police detachment came to remove the obstacles and vehicles that had been placed across the street. Thus traffic through Via Espana was normalized. No confrontation arose with the students because they remained behind their barricades in the university, and the policemen remained in Via Espans.

At approximately 1700, the Doberman antiriot units, outfitted with full combat equipment, arrived at the university to replace the policemen, and fierce clashes ensued between the university students and the Doberman units. Tear gas, pellets, rubber bullets, and other objects were used by the antiriot units against the students. Several persons were wounded during the clash, and they were taken to various hospitals throughout the city.

Students Support Strike

PA021724 Panama City Radio Mia Network in Spanish 1650 GMT 2 Jul 85

[Report by Joaquin Maison]

[Excerpts] The peace Panama City experienced this morning has been disturbed by University of Panama sutdents who have blocked the Transisthmian Highway and nearby streets.

The Panama Defense Forces antiriot squads are keeping their distance in an attempt to prevent acts of violence. Despite this measure, we have learned that a bus has been burned, and stones, bottles filled with gasoline, and other objects are being thrown.

On Via Espana, the National Institute of Telecommunications [INTEL] workers have walked out of their offices and have gathered on the main floor of the building carrying placards demanding that the government take action in face of the future amendments to the labor code and in support of the general strike declared by the National Council of Organized Workers [Conato].

Meanwhile, Panamanian Education Minister Manuel Solis Palma has called on the students to be sensible and has asked them to reflect on the incidents that have occurred in these past days in Panama City, especially among the students.

Colon Businesses Close

PA030359 Panama City Panavision in Spanish 0000 GMT 3 Jul 85

[Text] This afternoon 90 percent of the businesses in Colon were forced to close following a morning demonstration to make workers' support for the National Council of Organized Workers [Conato] strike. The demonstrators included workers' representatives of the Hydraulic Resources and Electrification Institute [IRHE], National Telecommunications Institute [INTEL], and (Single National Union of Construction and Related Workers [Suntracs] and students from the Abel Bravo College and the Cativa Technical and Professional Institute, who marched through the streets of Colon.

The demonstrators then went to the Colon Free Zone, where they closed off access to and from the commercial zone's installations for approximately half an hour. Later, isolated groups of workers forced the stores on Avenida Bolivar and Avenida Central to close. No violence has been reported, however. Commercial traffic and public transportation services remain normal.

Government Communique Issued

PA030136 Panama City Panavision in Spanish 0000 GMT 3 Jul 85

[Text] The Government and Justice Ministry issued a communique this afternoon calling on the divergent sectors and the citizenry to participate in a dialogue and understand that certain elements are trying to promote disorder and unrest. In addition, the document issues a call to the news media to report wisely so the citizenry is not misinformed. The communique is signed by Government and Justice Minister Jorge Riba.

EL SALVADOR

GUERRILLAS AMBUSH MILITARY TRUCK, KILL 1 SOLDIER

PA022215 San Salvador Radio Cadena Sonora in Spanish 1800 GMT 2 Jul 85

[Text] Unusual helicopter movement was observed this morning. Asked about this, military sources said a small counterinsurgency operation was under way but declined to give additional information, arguing that this was of a military nature. They promised, however, to provide some preliminary information later. They said the operation was small; they had surrounded some guerrillas who participated in an abmush yesterday on a vehicle from San Francisco Gotera.

A military truck of Military Detachment 4 carrying about 10 soldiers to San Miguel was abmushed at 0900 at km 142-143 on the Military Highway, San Franciso Gotera jurisdiction. The rebels had stationed themselves behind some bushes and from these hurled hand grenades and opened rifle fire on the truck. One soldier was killed, and four wounded soldiers were rushed to a military hospital. The remaining soldiers pursued the guerrillas. In the clash that ensued, the guerrillas suffered some dead, but no casualty figures were given.

EASTERN AREA WITHOUT ELECTRICITY DUE TO SABOTAGE

PA022225 San Salvador Radio Cadena Sonora in Spanish 1800 GMT 2 Jul 85

[Text] At about 2230 last night guerrillas dynamited a power pylon between Mercedes Umana and Villa El Triunfo, according to preliminary reports. This action cut off electricity to all of the eastern zone. Half an hour later Lempa River Hydroelectric Executive Commission [CEL] technicians stated up (El Zalacata) emergency generator.

Electricity for the downtown [as heard] area was restored about 2330. This morning CEL technicians began preparations to carry out repairs.

Power pylons are dynamited in the Mercedes Umana-Chinameca-Villa El Triunfo sector every 2 days.

Santa Rosa de Lima has been without electricity for more than 1 month. Power was cut off on 1 June, and several dynamited posts are still lying at (La Casada) turnoff, Las Marias, (Frontina), and other villages on the Military Highway. Posts dynamited are repaired, only to be dynamited again at night.

San Francisco Gotera has been without electricity for 8 days, including today. This is the capital of Morazan Department. Rebels have dynamited posts on the road leading to this city along the Seco River. CEL technicians repair fewer pylons during the day than are destroyed by the rebels during the night. A considerable number of pylons have been dynamited between Moncagua and Chapeltique and from the latter to Ciudad Barrios. Military sources indicated that at least 16 pylons were dynamited over the weekend. An additional problem is posed by the Claymore mines planted by guerrillas near the dynamited posts. This is why CEL technicians have to be accompanied by ordinance personnel.

VENCEREMOS ON ARRIVAL OF U.S.-MADE HELICOPTERS

PA030150 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Jul 85

[Text] We have just received this report: The Reagan administration has sent three more helicopters to Napoleon Duarte's dictatorship. According to reports, three U.S.-made helicopters sent by the Reagan administration have arrived in the country in the past few hours; new weapons, new air means for a defeated Army.

The arrival in El Salvador of three U.S.-made helicopters in the past few hours is considered a move to replace in part the choppers that have been downed or damaged by the FMLN during the month of June.

For our part, Reagan may continue sending as many helicopters as he wants, because our people will continue downing them one by one, or in pairs, as we did in Morazan. Our people, our combatants, will continue using the small pieces and screws of the downed helicopters, wearing them around their necks as symbols of the victory over imperialism's air means.

FMLN REPORTS ARMY ATTACKS IN CABANAS DEPARTMENT

PA021935 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 1 Jul 85

[Text] Another report has reached Radio Farabundo Marti from the Modesto Ramirez Central Front. It indicates that on Saturday, 29 June, at 0700 an A-37 airplane and a Hughes 500 helicopter gunship staged an attack in which more than 15 rockets were fired on the San Antonio, San Nicolas, and El Cacao cantons in Cinquera jurisdiction, Cabanas Department.

That same day at 0800, troops of the 1st Infantry Brigade stationed in San Francisco sugar mill in Aguilares jurisdiction staged an indiscriminate mortar attack against the residents of Ramirez, (La Pava), and [name indistinct] on the slopes of Guazapa HIll in Cabanas Department. At the same time, the Atlacatl Battalion was advancing towards these cantons to capture and kill the peasants who live there.

GUERRILLA RADIO ON ARMY 'SCORCHED EARTH' TACTICS

PA021933 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 1 Jul 85

[Excerpts] We will be reporting the results of a new scorched earth operation that was carried out from 19 June to 26 June by the troops of terrorist Duarte. The troops belonged to the Atlacatl BAttalion, the Ramon Belloso Battalion, and a battalion of the 1st Infantry Brigade. Beginning on 19 June, they began a brutal operation that had the objective of killing and capturing peasants who live in Chaparral, Las Delicias, Consolacion, Pueblo Viejo, [name indistinct], and other towns located on Guazapa Hill in Cuscatlan Department. During the 7 days of the operation, the government troops destroyed the peasants' houses and crops. They destroyed 18 cornfields and 15 houses and captured (?62) people. All these people have been taken to an unknown location.

From 19-26 June, the troops of terror, Duarte's terrorist troops carried out a new scorched earth operation.

We ask Duarte: Doesn't he care about the lives of the Salvadoran people? Why has he raised a big outcry over [word indistinct] terrorists, and why doesn't he see the terror he is imposing with his troops against defenseless people in the rural areas? All these people have been captured and taken to an unknown destination. We issue a call to the Human Rights Commission, the International Red Cross, and the Catholic Church to do something so that these people can be released and returned to their places of origin rather than become missing people. This is a call to the Salvadorna people to raise their voices and denounce the atrocities and terrorism committed by Duarte who [words indistinct] Ronald Reagan. Ronald Reagan has taught him to impose terror on the Salvadoran people.

VENCEREMOS REPORTS ACTION IN EASTERN AREA

PA302119 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 30 Jun 85

[Text] The puppet Army is going mad. The high command of the pro-imperialist Army is going mad in view of the numerous guerrilla attacks in the eastern part of the country. Pay attention to our reports.

The National Guard troops were ambushed on the Coastal Highway, inflicting 16 casualties on the dictatorship's troops. Rifles and war supplies were taken away from them. This is the report on a successful ambush carried out at 0500 hours on Saturday, 29 June, against National Guard units who were marching from Tierra Blanca canton toward La Pita. The report says that the guerrilla units of the Rafael Arce Zablah Brigade, BRAZ, southern group, led by Commander Gonzalo, ambushed a group along the Coastal Highway near the place known as La Pita. At 0600 hours, an enemy patrol of the National Guard made up of 33 men was ambushed and attacked with gunfire. After 45 minutes of combat, the troops of the criminal National Guard disbanded and fled, leaving behind 12 dead national guardsmen, including 2 corporals. They also took four wounded guardsmen with them. This means that in this successful ambush, we inflicted 16 casualties on the dictatorship's troops.

Attention, we also seized the following war materiel from the National Guard troops: 12 G-3 rifles, 1 M-79 grenade launcher, 1 ERT-77 military radio unit, 8 G-3 grenades, 3 backpacks, 53 magazine clips, and 1,300 rounds of 7.62-caliber cartridges.

We did not suffer any casualties. The traffic along the Coastal Highway was interrupted for 2 hours after this guerrilla attack. It is important to point out that this operation took place at a time when the misnamed Atonal Battalion is carrying out an operation in the San Agustin area with the alleged purpose of neutralizing the activities of the FMLN. Likewise, we wish to mention that the so-called Atonal Battalion has not managed to obtain its goal in this area because our forces have maintained constant sabotage activities against the war economy. An example of this was the sabotage of 11 cotton harvesters, the sources of power in that area of Usulutan Department. In that manner, our people are continuing guerrilla activities on the strategic highways of the country in the area we control. We disrupt all actions that the high command and the eight gringos who direct the war dare to carry out against our territories.

On Saturday, 29 June at 1130 hours, in broad daylight, the BRAZ group led by Commander Gonzalo attacked a patrol of the 6th Infantry Brigade in San Marcos Lempa, in their new camp at Jiquilisco. In this action, we inflicted two casualties on them, one dead and one wounded. Also on Saturday, 29 June, at 1100 hours BRAZ units attacked a patrol of the 6th Brigade in Joya Ancha Arriba canton, wounding two soldiers of the dictatorship's troops.

At 0215 hours on 28 June, guerrilla units from the Luis Adalberto Diaz Detachment attacked the misnamed Atonal Battalion units that were posted at the San Agustin School in Usulutan. One soldier of the Atonal Battalion was seriously wounded. This battalion is carrying out operations in this area every day, which is causing them to shed more blood, while our guerrilla units, right in front of their very noses, are destroying economic targets of the dictatorship.

Another report from the eastern area says that at 1600 hours on Friday, 28 June, BRAZ guerrilla units of the FMLN attacked the Cuscatlan Battalion which was in El Chingaste, Sesori jurisdiction, San Miguel Department.

As a result of this clash, we inflicted four casualties on the Cuscatlan Battalion troops, including one seriously wounded corporal.

NICARAGUA

ORTEGA LETTER RESPONDS TO COSTA RICA'S MONGE

PA030014 Managua Domestic Service in Spanish 0300 GMT 3 Jul 85

[Letter from President Daniel Ortega Saavedra to Costa Rican President Luis Alberto Monge; issued in Managua, no date given]

[Text] Your Excellency Luis Alberto Monge, president of the Republic of Costa Rica, San Jose.

Dear Mr President:

I received with satisfaction your reply to the note I sent you on 27 June 1985, in which I stated Nicaragua's desire to establish a security zone under international supervision along the border between Costa Rica and Nicaragua. The Nicaraguan Government appreciates the Costa Rican Government's readiness to work with the participation of the Contadora Group and other organizations in the search for formulas and mechanisms that may allow us to find effective and durable solutions to the tensions prevailing between our two countries, created and promoted by foreign forces struggling to create a generalized armed conflict in the Central American region.

Considering that our two countries held several rounds of talks in Paris last year with the intention of creating a neutral zone, Nicaragua believes it would be beneficial to avail ourselves of France's experience on this topic. Seeking to firmly advance in the search for these solutions, Nicaragua proposed to the Costa Rican Government the beginning of talks with the participation of Mexico, Colombia, Venezuela, Panama, and France.

The Nicaraguan delegation would be ready to begin these meetings as of next week at any of the capitals of the above-menionted countries, at a date on which we would both agree.

I avail myself of this opportunity to express the token of my consideration and appreciation.

Sincerely yours,

[Signed] Daniel Ortega Saavedra

ORTEGA ON STATE-OWNED PROPERTY, RAMIREZ TRIP

PA021553 Managua Domestic Service in Spanish 0300 GMT 2 Jul 85

[Excerpts] During the "Face the People" program, which was held tonight in the Maria Auxiliadora District, President Daniel Ortega Saavedra said: The government-owned vehicles, buildings, and residences are used by us for the people's well-being. President Ortega indicated that neither the vehicles nor the houses belong to state officials or revolutionary leaders.

No one owns anything, the president said, comparing this attitude with that of the country's private businessmen. Regarding the trips, he said: We cannot finance them; the countries we visit provide us with vehicles and lodging. During my last tour through the socialist countries and Europe, the GDR provided us with a plane at no cost, Ortega affirmed.

Let us listen to his statements during tonights "Face the People" program:

[Begin Ortega recording] Logically, to do the work we do going by bus or on foot would not be fast enough. We need transportation to move about, and the cars that were available were the Mercedes Benz automobiles. These are the vehicles we use. Now then, the Mercedes Benz cars are unquestionably fine cars; I am not making any propaganda for Mercedes Benz by saying this, but these cars are good cars indeed.

So, why have a house with certain comforts? For instance, why use a government-owned house as a working place, where we stay 12-14 hours. Are these long hours necessary to do our work? Why these places? Well, to be able to work. Why the vehicles? Well, to be able to work, too. They were Mercedes Benz, all right. But now we are being left with jeeps and five other vehicles that are station wagons and the like.

However, what is important is the following: Two situations must be made clear. There are people who use means of transportation to become rich, to become millionaires, and to own properties, and there are people who work to render a service to the people.

So, when we received a Single Taxpayers Registry [Registro Unico de Contribuyentes, RUC] form, where we have to declare everything we own, all property we own, we do not have to indicate any type of property because we own no property. We own no homes. The houses in which we live are state-owned houses for which rent has to be paid. The vehicles we use do not belong to us. In other words, we have a vehicle as long as we perform a function. Whoever performs a function will have a vehicle and must meet certain prerequsites to perform such a function. However, when we no longer perform such a function, we cannot keep the vehicles, or the houses, because they do not belong to us.

We do not own homes, vehicles, or properties, and we have no bank accounts, either. If we have to go on a mission abroad we do not finance it with our own money because we have no money with which to finance it. It has to be financed by the state or through international cooperation.

Recently, I made quite an extensive trip to the USSR, the GDR, Bulgaria, Czechoslovakia, Romania, Hungary, Bulgaria, Yugoslavia, Spain, France, Italy, Sweden, and Finland, to a large number of countries. I would not have been able to finance the trip because I have no money to finance such a trip. It would have been too costly for our country. In the end, the trip did not cost us a cent because all fares were paid for and the GDR even made a plane available to us to travel around. Our lodging was paid for by the countries we visited, and they even provided us with vehicles.

What do we mean by this? We mean that in the revolutionary leadership, within the FSLN, there are no owners of property, homes, housing, and farms, or holders of bank accounts. If we use some resources like vehicles, and if we have certain comforts for work, it is to perform a function aimed at benefiting the people. It is not the same to work in order in order to carry out agrarian reform -- as was the case in the Masaya area, where 7 people owned thousands of manzanas of land and now there are 1,500 people who own that same land -- and to go around in vehicles, to own properties, and to work to become a millionaire, to own property, to exploit the workers, to exploit the peasants, and to exploit the laborers. [end recording]

During the "Face the People" program President Ortega added that Vice President Ramirez' trip [to Mexico] is a continuation of the one he made a few days ago through Panama, Colombia, and Venezuela, and is part of the efforts to get the Central American countries to stave off the U.S. intervention, which is also a threat to Latin America.

ORTEGA SAYS U.S. BEHIND ANTI-SANDINIST CAMPAIGN

PA022200 Managua Domestic Service in Spanish 0325 GMT 2 Jul 85

[Closing statement on "Face the People" program featuring Nicaraguan President Daniel Ortega in Managua with residents of the Maria Auxiliadora District -- live]

[Excerpts] The counterrevolutionaries and the exploiters hate to see how the revolution has seized, for instance, the property of a landowner who had thousands of manzanas of land or someone who had thousands of manzanas of land, which was often poorly exploited and distributed the property among 200, 300, 400, or 500 families. Naturally, the exploiters do not like this. That is why they engage in this type of campaign.

Who directs these campaigns? They are directed by enemies of the Nicaraguan people; that is, the U.S. Government, the U.S. Government leaders. Who is the worst enemy of the Nicaraguan revolution? The U.S. President. Who is the U.S. President? A millionaire. In the United States no one can aspire to be president if he is not a millionaire. In the United States, people of poor or humble origin cannot aspire to be president of the United States. One has to be a millionaire. This gentleman, who owns large farms, large estates, and millions and who goes around in planes, helicopters, and armored cars, and so on, is the one directing the campaign of terrorism against Nicaragua with advice from a group of people who think that the Nicaraguan revolution must be destroyed.

They are not waging the campaign of terrorism only in a physical sense, murdering the Nicaraguan people and destroying the Nicaraguan people's economy. They are waging it to make the Nicaraguan people distrust their vanguard, their leadership. That is the reason for all the rumors and lies they spread about the revolutionary leadership.

We want to end this meeting now. We have here a delegation from Iran, a sister nation of Nicaragua. [applause] Here are the companeros of the Iranian delegation, an official delegation of the Iranian Government. [applause] Iran is a friend, a brother of Nicaragua. Iran has not offered us bullets. It has not offered us terrorist attacks, nor has it ordered mining of our ports. It does not support the counterrevolutionaries either. What Iran has done is to try to help the Nicaraguan people. What Iran has done is to try to offer humanitarian assistance to the Nicaraguan people. That is why we have good relations with Iran.

We have poor relations with the United States, with the U.S. Government. Better put, they have poor relations with us, because they have devoted themselves to waging war on us, to bringing us terrorism, to killing Nicaraguans -- children, women, and elderly people. However, we do not have bad relations with the U.S. people. We have good relations with them. [Words indistinct] some U.S. citizens, too. [applause] They are U.S. technicians and professionals who have not come here to fire shots at us, to threaten to invade us, to mine our ports, to kill children, to destroy schools, to destroy health centers, or to destroy cooperatives. Instead, they have come here to offer us their support and their love, which is the support and love of the U.S. people. [applause]

MINISTER TO DENOUNCE U.S. AT INTERNATIONAL FORUMS

PA022207 Managua Radio Sandino Network in Spanish 0000 GMT 2 Jul 85

[Text] Deputy Foreign Minister Jose Leon Talavera has said that Nicaragua will denounce the current U.S. policy against the country before various international forums. He said that the new escalation of U.S. aggressions confirms the stubborn attitude of the Reagan administration to destroy militarily the Sandinist people's revolution.

In the face of the Washington-decreed trade embargo and the victory achieved by President Reagan in convincing Democratic representatives in Congress to support his anti-Nicaraguan policy, we will activate and (?increase) all our resources and energy, he said. Leon Talavera added that the Sandinist government will demand international solidarity, because we want to secure our right to live in peace and seek solutions to historical problems experienced by Central American peoples in the economic, political, and social aspects.

RAMIREZ ON PLANS FOR ATLANTIC COAST AUTONOMY

PA021610 Managua Domestic Service in Spanish 0300 GMT 2 Jul 85

[Text] Nicaraguan Vice President Sergio Ramirez made it clear tonight that Atlantic coast autonomy does not mean in any way that the area will be separated from the rest of the country.

He noted that any talk about a statute of autonomy for the Atlantic coast does not mean that there will be two or three Nicaraguas with two or three different governments. After stressing the differences between Nicaragua's Atlantic and Pacific areas, Ramirez said that autonomy means respecting the rights, character, and beliefs of the coastal people.

Tomorrow Ramirez will begin a tour of Mexico and South Amreica, where he will hold meetings with high-level officials.

MISKITOS, GOVERNMENT WORKING ON 'RETURN PLAN'

PA021730 Managua BARRICADA in Spanish 1 Jul 85 p 4

[By Fablo Emilio Barreto -- capitalized words originally published in boldface]

[Excerpt] Puerto Cabezas -- Miskito commissions and the revolutionary government are working on a swift RETURN PLAN involving the movement of about 43 communities back to the shores of Coco River, from where they were displaced in 1981 as part of a CIA terrorist plan, called "Red Christmas." As is known, that plan included the destruction of bridges, the murder of leaders, and later, the kidnapping of entire communities.

The formal announcement of THE RETURN was made this past week by authorities of the government and FSLN in special zone No 1, Puerto Cabezas, before numerous nongovernmental organizations that were asked to give emergency aid for to THE RETURN.

Before "Red Christmas" was carried out along the shores of Coco River, there were more than 50 communities with about 25,000 inhabitants, including the 10,000 currently residing in the Tasba-Pri settlements, who will also return to their native land. About 3,000 Miskitos are residing in Puerto Cabezas; a large group went to Managua and Bluefields, and according to available data, some 10,000 went to Honduras. Of the latter group, some have joined armed groups and the others are in touch with their relatives in Tasba-Pri and Puerto Cabezas. They have also voiced their desire to return to the banks of the Coco River.

Jose David Zuniga, FSLN representative in the region, and Jorge Dixon, coordinator of the relocation to Waspan, told nongovernmental organizations that THE RETURN is a vindication of thousands of Miskitos. They said that the Miskitos insist that they want peace, they want to work their lands, and they want to return to their communities, where their relatives, fathers, brothers, sons, and friends are buried....

It is almost certain that when Zuniga, Dixon, and Otto Borsh, Miskito leaders tasked with the transfer from Puerto Cabezas to Waspan and Francia-Sirpe, return to the banks of the Coco River, the brothers now on the other side in Honduras will immediately return to join us in rebuilding the houses, cultivating bananas and rice, and fishing in the river." [quotation marks as published] Jose David Zuniga added that the revolutionary government will make efforts before the Honduran Government and the UN office of High Commissioner for Refugees to achieve the return of Miskitos on the other side of Coco River.

He said that THE RETURN, which includes inhabitants of Tasba-Pri, "is a voluntary decision for the Miskitos." He said that some companeros residing in Tasba-Pri said they will not return because in that place they already have developing production resources, such as agriculture and state services, and so forth. Ziniga pointed out that the FSLN and the revolutionary government support those with an ardent desire to return as well as those wishing to stay where they were relocated by the state.

It was reported that the government will give direct support for THE RETURN and it is expected that 300 million cordovas will be spent in 10 months for food subsidies alone. This does not include ground and water transportation expenses for distances beyond 200 km in jungles and marshy areas. The cost of the reorganization of health, education, supplies, and agrarian transportation services by state organizations are not included in that figure either.

We must immediately reconstruct houses and entire communities, including Waspan, which is considered the capital of the communities located north and south of the river in El Coco. For this reconstruction and THE RETURN, solidarity and emergency aid was requested from nongovernmental organizations such as the Oxford Committee for Famine Relief [OXFAM] from Great Britain and the Netherlands [as published], Voluntary Services of Sweden, Coopibo-Belgium [IBO Development Cooperation] of Belgium, the Austrian Solidarity Committee, along with additional cooperation from the Netherlands and technical cooperation from Sweden.

MISKITO PEOPLE THINK PANTIN DIED ACCIDENTALLY

PA010050 Managua Radio Sandino Network in Spanish 1300 GMT 30 Jun 85

[Text] The general feeling of Miskito people who live in northern Zelaya is that Commander Eduardo Pantin died accidentally, according to Miskito leader Hazel Lau. The townspeople know that the CIA and Fagoth had made plans to kill Pantin and are very sad about the accidental death of the red lion. The Miskito leader said that her people view Pantin's position as important and historic because he was searching for peace through a dialogue.

Former OSN [not further identified] agent Steadman Fagoth, who is now a member of the CIA, did not like Pantin's position. Fagoth continues [words indistinct] the people of the coast, Companera Lau said. She noted that the talks must go on to achieve peace in the Atlantic region and to secure and consolidate the main rights of the Miskito people.

MISURA ANNOUNCES IMMINENT RELEASE OF FRG CITIZEN

PA301948 Panama City ACAN in Spanish 1914 GMT 30 Jun 85

[By Armando Cerrato]

[Excerpt] Tegucigalpa, 30 Jun (ACAN-EFE) -- The Nicaraguan rebel Indian group Miskitos, Sumus, and Ramas [Misura] announced here today that it will soon release FRG internationalist Regina Schmemann, whom it kidnapped on 14 June in Nicaragua.

A Misura spokesman who asked not to be identified said: The German woman is fine, in a safe place, and ready to be released as soon as certain political conditions are right and arrangements with the International Red Cross are completed."

Some days ago, the Misura organization offered to allow international newsmen to visit a camp it claims to have in Nicaragua where Schmemann is allegedly being held. However, at the last minute the visit was called off because "the conditions for holding it were not present."

It is known that Misura has contacted the International Red Cross, which in turn must contact the Sandinist regime in Nicaragua, to establish certain conditions for the German woman's release.

Initially, the hostage was to be exchanged for Misura Commander Eduardo Pantin. However, 2 days ago, the Indian organization announced that he was shot to death by the Nicaraguan Army.

WHEELOCK SPEAKS AT AGRICULTURAL CONGRESS

PA021836 Managua Radio Sandino in Spanish 1930 GMT 1 Jul 85

[Text] Commander Jaime Wheelock Roman, minister of agricultural-livestock development and agrarian reform, said that despite the U.S. military, economic, political, and diplomatic efforts throughout these past 5 years to destroy the Nicaraguan revolution, the Reagan administration has not been able to subdue the Nicaraguan people's determination.

Closing the first national Mauricio Lopez (Gaudia), scientific, and agricultural congress, Commander Wheelock Roman urged agricultural experts and technicians to face the U.S. trade embargo and to use their expertise to contribute to the development of that economic sector in the country.

Over 550 agricultural experts and technicians who participated in the congress agreed to be on the alert and prepared to face, resist, and overcome the aggressive imperialist escalation.

BORGE MEETS WITH CDS MEMBERS IN ESTELI

PA281537 Managua BARRICADA in Spanish 27 Jun 85 p 8

[Text] Esteli -- "We are 3 million Nicaraguans; if they send 3 million Yankees to invade us, each Nicaraguan can have a Yankee for himself. Meanwhile, we are going to teach the wasps, the snakes, the dogs, the cats, and every animal to kill Yankees. So if they go into a river the fish will bite them, and if they go into the jungle the deer will chew them up, because everyone -- men, women, and children -- will fight the Yankee invader."

This was said by Interior Minister Tomas Borge here during a meeting with thousands of members of Sandinist Defense Committees (CDS) of Esteli.

Borge urged the people of Esteli to double their vigilance after discovering a criminal plan to attack the civilian population with toys packed with C-4 explosive which were going to be placed in towns, buildings, and schools. He said this as he referred to a hand grenade explosion in a house in Esteli which injured three persons.

He talked about the invasion plans against Nicaragua and how the Nicaraguans should prepare themselves to face the invasion. "We are not going to defeat the Yankee Army; we are going to defeat U.S. intervention," Borge said. "This means making their lives impossible, launching a worldwide campaign, having all the peoples of the world raise a protest and take measures against intervention. There will not be one single Nicaraguan whose goal is not to kill a Yankee invader," Borge said.

During the meeting an old woman told him she did not see enough food to feed the soldiers. Borge assured her not to worry about that, "because at the moment of the invasion we will be sowing the heads of the Yankees."

He also talked about the peace efforts and reiterated that Nicaragua is not going to negotiate with the counterrevolutionary groups. "They want us to smoke the pipe of peace and eat from the same plate with the murderers. We have already said it: We are not going to negotiate with them," Borge said.

"We will negotiate with the counterrevolutionaries the day the rightist parties and the Higher Council of Private Enterprise [COSEP] count every grain of sand in the seas and all the stars in the sky, and when they are through we will ask them to start counting again," he added.

Carlos Bolanos, a CDS member from Esteli, asked the regional leaders to be more accessible to the public, to which Borge replied: "The companeros are leaders proven in battle, but they are absorbed by administrative problems, which gradually separates them from the people. As a matter of fact, I am one who has spent too much time in the office, and it is time we met with the people to hear what they have to say and try to solve their problems."

Borge later honored Commander Jose Benito Escobar, a member of the FSLN National Directorate killed in combat 7 years ago. He also visited El Carmen Cemetery, where 17 companeros were killed trying to escape from the Somozist siege during the days of the final insurrection.

ARCE URGES TEACHERS TO IMPROVE EFFORTS

PA302306 Managua Radio Sandino Network in Spanish 1300 GMT 30 Jun 85

[Text] Commander of the Revolution Bayardo Arce, coordinator of the Political Committee of the FSLN National Directorate, yesterday urged the nation's teachers to be more objective. The call was made during the Teachers Day celebrations in Juigalpa, Chontales Department. Denis Ruiz reports on this:

[Begin recording] [Ruiz] It is necessary to be more objective with the people and to contribute with the military defense efforts of the revolution. This is the main task of the nation's teachers.

This was said yesterday to more than 2,000 teachers from throughout the country by Commander of the Revolution Bayardo Arce. The statement was made during the ceremony to commemorate National Teachers Day at the Chontales Institute Auditorium.

Commander Arce affirmed that as a result of the situation we are enduring, when we face the possibility of a U.S. Marine invasion against the Sandinist people, we are obligated to maintain the development of human resources so that we do not have to face a historically disastrous situation once we have achieved peace. For this reason, he noted, we must improve our human resources and get increasingly better and honorable, something that will make us increasingly invincible when facing the enemy. This is what he said:

[Arce] More than any other country, we are obligated to develop human resources so that we do not have to face a historic disaster, especially once we have achieved peace. In line with this, it is important that we reevaluate what the teachers must do. You know that the cards are already on the table. You know that Reagan has received approval for $38 million for [words indistinct]. The Boland amendment was withdrawn, and he can now utilize any federal financial resource for military goals against Nicaragua.

The $38 million is only symbolic. The U.S. Congress authorized Reagan to intervene in Nicaragua if we happen to have nuclear weapons, MIG planes, are friends of terrorists, or if we stick our tongue out at a North American. [laughter]

Everything is set. What we have to do is to improve our efforts, and our human resources. We have to better every day. We have to be exemplary every day. We have to be more honorable every day because this is what makes our enemies view us as increasingly invincible. The Nicaraguan teachers have a most important role to play in this regard. We believe that the teachers have played this role but we believe also that based on the circumstances, the teachers can do even better. [end recording]

ARCE DISCUSSES ORTEGA'S VISIT TO MOSCOW

PM021027 Stockholm DAGENS NYHETER in Swedish 20 Jun 85 p 13

[Interview with Commander Bayardo Arce: "Ortega's Moscow Visit Perhaps a Tactical Mistake" -- date, place not given]

[Text] "It is possible that we made a mistake when we decided on President Ortega's trip to Moscow." With a slightly sad smile Bayardo Arce, one of the nine members of the Sandinist Front's leadership and the organization's political secretary, admitted the tactical mistake. "We have always known, ever since our victory, that the U.S. Administration was against us, but we could never imagine this hate. We could never have believed that Reagan would lay down his soul to destroy us."

For it is precisely this unfathomable hate that is behind the U.S. congressional turnabout in the recent vote on support for the contras, Bayardo Arce said. "Daniel Ortega's visit to Moscow was just the excuse Reagan needed to be able to mount his pressure campaign. However, that was not the reason why as many as 68 congressmen changed their minds."

Bayardo Arce said that he knows that a few were directly affected by Ortega's Moscow visit, but said that the decisive thing for the turnabout was the skillful way in which Reagan used the residue of the Vietnam syndrome.

This happened because he chiefly pushed two arguments. "First, he said that if you do not support me now, I will perhaps have to send our boys to Nicaragua. At the same time, as if by accident, the Pentagon leaked that everything was now ready for an intervention in Nicaragua.

"The second argument," Arce went on, "was simply to play on the old fear of communism. Reagan said that if we do not give support now, international communism will take over in Central America."

But what was crucial for the arguments' effectiveness, Bayardo Arce said, was that Reagan put all of his personal prestige behind them. "He went out to individual congressmen and asked, 'Can you take responsibility for what happens if communism takes over? Can you take the responsibility in front of your voters if we are forced to send their sons down there?'"

Again we get a glimpse of the sad smile of Bayardo Arce, reflecting puzzlement over how the mighty of this world engage in politics. "He is, after all, the U.S. President," he said. "No matter what you think about him, he has the power he has, and I can understand very well that many felt hard pressed to vote his way.

"Yes indeed, we discussed the effects this trip to Moscow could have before President Ortega went. However, we did not understand the extent to which the visit could be exploited." On the other hand Bayardo Arce hurried to explain that the visit was vitally necessary. "Without the agreement on oil supplies that was reached there, Nicaragua would have come to a standstill."

The reason was that Mexico had informed Nicaragua that it could no longer supply the country with oil on the terms that had applied hitherto. But why were the real reasons for the trip not made public before Daniel Ortega had returned to Nicaragua? Then it might have been possible to prevent the support to the contras from being voted through, at least by the majority that did materialize.

"It was a sensitive situation," Bayardo Arce explained. "If we had declared from the beginning that what was behind the Moscow trip it would have seemed as if we were accusing Mexico or as if they had turned their backs on us. We did not want to give that impression. We understand that Mexico has its own problems. Mexico has, after all, been the country that has been most generous toward us from the very beginning. So we simply decided to pay the price ourselves rather than put Mexico in a difficult situation."

[Palmgren] But was it not a rather high price?

Bayardo Arce nodded weakly, but said nothing. "But God," he exclaimed, "the situation is absurd. We are a country with a multiparty system, freedom of religion, considerable private enterprise, and we have recently held our first free elections for decades. However, we are mocked and threatened alternately by Reagan. Congress openly votes through millions of dollars in support of forces built up by the CIA. We are to be crushed. Our president is not to be allowed to visit the countries he wants. What I want to say is: If we, with all the guarantees of pluralism and private enterprise that we have given, are not to be allowed to survive, which other Latin American country can feel certain of surviving? Is any country at all to be allowed to determine its own future?"

Bayardo Arce also said: "This is what makes us feel that we are not only fighting for 3 million Nicaraguans, but for the whole of Latin America." This is what was behind President Daniel Ortega's speech the other day when he said that Nicaragua will lift its self-imposed moratorium on arms purchases. It will also discontinue sending home Cuban military advisers and will instead invite new ones.

Even if Ortega did not say so directly, he indicated that new arms could include MIG's or other modern attack aircraft.

"Since the CIA has even begun to recruit mercenary soldiers in Europe to wage war against us, most recently in Britain, there is no longer any reason for us to lose more time in showing our goodwill. We have shown it time after time, but we have to be able to defend ourselves when we are attacked."

[Palmgren] Are the chances of a peaceful solution now totally outplayed?

[Arce] We hope not. We still believe in reason, and we are relying on the Contadora Group.

However, Bayardo Arce admitted that the Contadora Group has lacked initiative recently. It has not even issued a statement on the congressional vote for support for the contras. "The Contadora Group must adopt a firmer position and act more correctly and with greater determination. Otherwise, there is the risk that it will play out its role. We hope that the meeting the group begins in Panama Tuesday [25 June] will lead to the necessary change."

Of course Bayardo Arce hopes that the meeting with the Socialist International at Bommersvik that he has come here to take part in and which is the real reason for his visit to Sweden, will also lead to an imporvement in the chances for peace.

DORA MARIA TELLEZ APPOINTED NEW HEALTH MINISTER

PA011308 Managua Radio Sandino Network in Spanish 1225 GMT 1 Jul 85

[Communique issued by the FSLN National Directorate and the Presidency in Managua on 1 July]

[Text] The Secretariat of the FSLN National Directorate reports to our people the following:

1. The FSLN National Directorate, within its policy of cadres and in view of the complexity of the current tasks, has begun a process to improve the appointment process of its cadres. Therefore, it has decided to relieve Commander Dora Maria Tellez Arguello of her responsibility as FSLN political secretary in Region 3.

2. The National Directorate appoints Companera Lea Guido political secretary of the FSLN regional committee in Region 3.

Managua, 1 July 1985

For peace, all against aggression!

The Press and Information Directorate of the Presidency of the Republic reports the following:

1. In view of the situation of aggression that our country is experiencing and to fulfill the emergency plans to face the aggression, the Presidency of the Republic has begun a process of revising the structures and the operation of the various institutions that make up the revolutionary state.

2. This process has been begun in the institutions that deal with the most sensitive needs of our people.

3. Guerrilla Commander Dora Maria Tellez Arguello is appointed health minister. She will take office once the corresponding decree is published.

4. The government of the Republic recognizes the praiseworthy work that Compenera Lea Guido carried out as head of the ministry, especially regarding fulfillment of preventive medicine plans. The government has decided to continue the work carried out in the past few months in that ministry to find solutions to complex health problems that have worsened as a result of the latest aggressive actions of the Reagan administration.

Managua, 1 July 1985

For peace, all against aggression!

BLI TROOPS CONTINUE SAN JOSE DE BOCAY OPERATIONS

PA280335 Managua BARRICADA in Spanish 27 Jun 85 p 5

[Text] San Jose de Bocay, Jinotega -- The Sandinist People's Army, EPS, Battalions for Unconventional Warfare, BLI, are continuing their pursuit and annihilation operations against the remnants of the mercenary regional commands which tried to seize San Jose de Bocay and El Cua a few days ago.

As of yesterday, the EPS offensive combined with artillery units had inflicted approximately 100 casualties on the counterrevolutionaries. In addition, another 70 were killed last month in the same zone, in clashes with the German Pomares Battalion for Unconventional Warfare, which has been operating here for the past 6 months, Subcommander Oscar Lanuza reported.

During the most important clashes last week, the mercenaries sustained 26 casualties, just in the sector of San Juan de Kininowas, which is located in Bocay's jungle zone. There were also clashes in the sectors of Cerro El Cumbo, Cerro El Tigre, Golondrinas, and Cano de la Cruz.

Just a week ago, the counterrevolutionaries attacked El Cedro, a peasant settlement, where they slayed 11 civilians. A week later they attacked Santa Rosa, located on the road to Bocaicito and San Jose de Bocay, which were their main military objectives. The mercenaries were obtaining their supplies through Cerro Wina, preparing to attack Jinotega on 15 June. In Cerro Wina they had a medical post, a commanders headquarters, and also a training and recovery center.

According to an analysis made by Subcommander Oscar Lanuza, the mercenaries did not go beyond the jungle zone around San Jose de Bocay and El Cua, contrary to previous years, when they got close to Esteli so as to carry out their plan to attack the city, as reported last year by Commander Cristian Pichardo and Companero Agustin Lara.

The operational conditions in this zone are hazardous and there are still some civilians supporting the mercenaries, either out of ignorance or fear. For approximately 4 years, our troops have depended on airborne and land operations under conditions which have been extremely adverse, due to the intense rainfall in that zone at this time of year.

The mercenaries stepped up their terrorist operations with attacks on El Cedro and Santa Rosa, with two ideas in mind: first, to terrorize the population and second, to steal food and cattle for the counterrevolutionaries who are deep in the jungle. The mercenaries have not given up the plan to seize these villages, Commander Javier Carrion said, because they think that when the U.S. Government invades the country, they will become the puppet army of a puppet government, organized by the CIA -- a plan that our revolutionary leaders have often denounced.

The peasants in this zone have reinforced the defense installations in most of the 40 cooperatives that exist in the zone against new attacks, especially along the road to San Jose de Bocay, where on 21 June, the EPS troops dismantled the mercenaries' plan near Cerro El Cumbo and Santa Teresa de Kilambe. Santos Lopez Battalion for Unconventional Warfare, BLI, troops have been pursuing these groups to try to prevent them from concentrating their forces at Cerro El Tigre, where they apparently planned to set up an advance terrorist command post. During a recent attack on Santa Rosa, the mercenaries destroyed 20 houses, a supply store, a medical center, and killed 7 civilians, wounded 17, and kidnapped 16 families. They destroyed the health centers in La Pita, El Carmen, and El Bote and two ambulances. A week ago, they killed 11 civilians in El Cedro, among them a child, and destroyed 61 houses.

DEFENSE MINISTRY ANNOUNCES 26 CONTRAS KILLED

PA281612 Managua Radio Sandino Network in Spanish 1200 GMT 28 Jun 85

[Text] The Sandinist People's Army, Sandinist People's Militia, and the Patriotic Military Service combatants annihilated 26 counterrevolutionaries during 4 clashes reported between 21 and 24 June in Region 5. This was announced last night by the Defense Ministry. In the area of Chiquito River, west of Nueva Guinea, Zelaya Department, the Somozist mercenaries suffered two casualties and two AK rifles and gear were recovered. On 22 June, during a clash in (Cano Arana), 53 km east of Nueva Guinea, four counterrevolutionaries were killed and three AK rifles, a M-14 rifle, three backpacks, and a walkie-talkie were recovered. On 23 June, in the area of Atlanta, 64 km southeast of Nueva Guinea, Zelaya Department, the enemies of the people suffered 16 casualties and 3 M-14 rifles were recovered. On 24 June, during a clash in the (Juan Jose Quezada) colony, 32 km southeast of Nueva Guinea, the counterrevolutionaries suffered four dead and two AK rifles and an FAL rifle were recovered. During that period, the contras murdered four militiamen in the region of (La Maravilla), 28 km northwest of La Gateada, Chontales Department.

CALDERON SAYS MERCENARIES ATTACKING LA PENCA

PA030147 Managua BARRICADA in Spanish 2 Jul 85 p 1

[Text] In the past few days mercenary forces have launched no less than 20 armed attacks from Costa Rican territory against La Penca in Nicaraguan territory. As a result of these attacks two members of the Sandinist People's Army, EPS, have been killed, Commander Roberto Calderon, chief of the 5th Military Region, reported yesterday.

Commander Calderon said that David Antonio Aleman Martinez of Tonola, Chinandega Department, was killed on 20 June, and Danilo Valladares Alfaro, a member of the border patrol in San Carlos, was killed yesterday morning in another attack from Costa Rican territory in which the counterrevolutionaries used rifles, cannons, and mortars.

Calderon complained that some of these attacks are being carried out not too far from a Costa Rican Civil Guard post on the banks of the San Juan River. Calderon said that the mercenaries are seen almost daily hauling a cannon in a station wagon.

While these harassment attacks have been going on in the sector of La Penca, mercenary forces have taken positions in front of an EPS post in Papaturro, just 5 km from the border, west of border landmark No 13, in the place known as La Lucha, where the counterrevolutionaries of the Nicaraguan Democratic Force (FDN) have set up camp.

Commander Calderon also reported that on 20 June the counterrevolutionaries launched two attacks against the EPS post and that on 21 June they attacked the helicopter in which newsmen who came to visit to zone were traveling. Calderon added that at 1600 on 21 June the counterrevolutionaries launched one more attack. Then on 22, 23, and 24 June they launched attacks in the afternoon. On 25 June, they attacked twice, and at 0900 on 27 June they continued attacking, just like yesterday and the day before.

200 CASUALTIES INFLICTED ON CONTRAS IN JINOTEGA

PA021814 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Jul 85

[Text] The Sandinist People's Army [EPS] has struck and neutralized counter-revolutionary bands that were trying to enter from northern Jinotega Department in order to seize towns and to disrupt the celebrations to commemorate the sixth anniversary of Sandinist people's revolution.

Commander Javier Carrion, chief of the 3d Military Region, said that the EPS inflicted 200 casualties on the mercenaries in the latest operation, which lasted 15 days.

PASTORA INTERVIEWED ON RECENT ARDE SETBACKS

PA021250 Panama City Radio Continente in Spanish 1317 GMT 1 Jul 85

[Telephone interview with Eden Pastora Gomez, commander of the Democratic Revolutionary Alliance, ARDE, by Mayin Correa -- live]

[Excerpts] [Correa] We have on the line Commander Cero, Eden Pastora, who is somewhere in Central America as part of his tour through that region in search of bullets. How are you Commander Cero? You are on the air. How are you?

[Pastora] I cannot hear you very well.

[Correa] Commander Cero, regarding the war in the south, there have been reports that the Sandinists have expelled all the ARDE forces you lead in the south from that region. Can you tell us about the fighting in the south?

[Pastora] Because of lack of bullets and other materiel, we have had to withdraw from the positions we had advanced to in 1983, 1984, and part of 1985. We have had to go back to guerrilla warfare tactics. We have lost because of lack of bullets, because we cannot get bullets. We are not receiving aid. There is a blockade against us. We have lost La Union, a town in Nueva Guinea, Atlanta, Tango, La Penca, and other important positions. We are again going back to the type of guerrilla warfare we waged in 1983 and part of 1984.

We have been looking for bullets, but strangely, this has been a difficult task. Many democratic forces and governments take away from us the few bullets we are able to get.

[Correa] Why the difficulty in getting resources to continue struggling against the communists?

[Pastora] There are two reasons. One of them is the political manipulation of the war. We believe that the only solution for Nicaragua is armed struggle. There are negotiating forces that believe political negotiations will turn the Managua communists around. These negotiators are the very same ones who are blocking the resources.

There is another reason, the ideological one. Our revolutionary positions, our Sandinist positions. The nationalist stance always bothers many people who claim that they are anticommunists but who, with their position, are actually helping Managua's communism.

[Correa] Commander Cero, Commander Eden Pastora, from where are you receiving the little aid you do get? I imagine you are facing some problems. Who is helping you, and how do you get the little aid you are receiving? For example, I know you are a close friend [rephrases] you are a social democrat like Carlos Andres Perez, who is your friend and helped you during the attack on La Penca. Why doesn't Carlos Andres Perez, who is a Social Democrat like you, help you as he did when you wanted to oust General Somoza? Why have friends like him turned their backs on you?

[Pastora] Mayin, Mayin, the aid we get is at an individual level, on a friendly basis; the aid we get is very little. It is not even enough for our subsistence. We do not get aid from democratic people, organizations, governments, or parties for many reasons. Referring to the case you mention, it must be because they are afraid of the communists in their countries. Regarding the Socialist International case, the Social Democrats, it must be because they are afraid of the leftists and extreme leftists in their parties. They do not want problems, they are afraid of the problems that the communists in their countries might create. In addition, many have political interests and do not want to appear to be in agreement with Reagan, with U.S. President Ronald Reagan, in the slightest thing, at a historical moment, only because of their political interest. Hence, since they do not want to endorse Reagan, they endorse the Russians, the communists, the extreme left. It works like a pendulum; an extreme right reaction is countered by an extreme left reaction. We, who have adopted a nationalist position, whose interests are the Nicaraguan people's interests, suffer the consequences of this policy, of this political maneuvering.

[Correa] Commander Cero, what is your opinion of the democratic countries' acceptance, except for Costa Rica, Uruguay, and El Salvador, of the admittance of Nicaragua and Cuba into the Latin American parliament, as if they were democratic countries? What is your opinion of this acceptance -- under the excuse that this way they are inside, and I do not remember what other excuses were given -- what is your opinion of this?

[Pastora] All that is said or done is a waste of time. It is a waste of time, whether it is accepted or not, if we do not get bullets, ammunition. They can accept it into the Latin American Parliament, but they should give us bullets or ammunition because we are struggling with the only political expression understood by the communists: war and armed struggle. That is how they take over power, and it is the only way to oust them. The communists will not be changed by sitting them down at a parliament or admitting them to a parliament, or through negotiations and talks.

That is why we say that words are now useless and even provoke confusion. Bullets, ammunition, war, and armed people are the only way to solve the problem in Nicaragua and other countries where communism has taken over power.

[Correa] Yes, commander. Commander Cero, Eden Pastora, is struggling against the nine Sandinist commanders in Nicaragua, through the southern border of the country. Commander, how many men do you have struggling? Why are the fighters in the northern border helped more than you Commander? Why does the north receive more aid than the south?

[Pastora] We have 10,000 organized men, and we have 7,000 armed men almost without bullets, without ammunition. We operate in 30,000 square kilometers and control 10,000 square kilometers which have been liberated. We have opened a 140-square km border, but in the past 30 days we have lost 50 km along the river. Why don't they help us? or one simple reason. We are not seeking negotiated solutions, because we are nobody's soldiers. We are the Nicaraguan people's soldiers. The reason is simple, and it is the only truth among all the falsehoods being spread about us: We will not be manipulated. We will not be manipulated as puppets. We want overall solutions, we want full freedom. Either the communists leave Nicaragua, or we fight until we win or die. For this reason, for this determination, for this political viewpoint, we believe that the only political solution is war and not negotiations under weak conditions, as other negotiating forces want to do. For this reason, over the past year they are not only not helping us at all, but they are denying us even minimal aid.

[Correa] Commander Cero, some days ago a group of youths went around saying that they were recruiting men to fight in Nicaragua. I was puzzled by this, even though that is not my line of work, since I work in the political sector. However, are you recruiting men or are bullets what you really need?

[Pastora] Are you asking if I am recruiting men?

[Correa] Yes, exactly, that is my question.

[Pastora] Not at all, we have more than enough fighters. All the Nicaraguan people want to fight. We need bullets, other resources, such as medicine and boots. That is why we oppose the threat of any foreign intervention, because we do not need soldiers, we need rifles. If another force, if any other force wants to invade Nicaragua, wants to militarily intervene in Nicaragua, we will oppose this because we have already been invaded by the communists. This is a camouflaged, sneaky, and craftily disguised invasion. Thus, an open intervention would only serve to justify this covert intervention or invasion. Consequently, we ask those who want to intervene militarily to give us the means, the rifles, the bullets, and ammunition, because that is what we need.

[Correa] Commander Cero, our time is up. We thank you very much for this opportunity. We wish you lots of luck and success, so that you may soon oust the nine Sandinist commanders. We are at your service here at Radio Continente to report on the conflict, which is also our conflict. Good morning and goodbye.

ARDE LEADERS HOLD MEETING IN PANAMA CITY

PA022006 Panama City ACAN in Spanish 1512 GMT 2 Jul 85

[Text] Panama City, 2 Jul (ACAN-EFE) -- The leadership of the Democratic Revolutionary Alliance [ARDE] is analyzing in this capital the political perspectives of the Nicaraguan rebel group, leader Jose Davila has disclosed.

Eden Pastora (Commander Cero), Jose Davila, and Donald Castillo have been here since yesterday for a 2-day meeting.

Davila told ACAN-EFE that the ARDE leadership "is considering the most interesting possibilities at the political level."

"Our objective is to maintain a third road [tercera via] policy, as an alternative for the people, between Managua and the apst," Davila, the person responsible for ARDE's political affairs, added.

SOCIALIST PARTY HEAD ON U.S. HOUSE RESOLUTION

PA301627 Managua Radio Sandino in Spanish 1930 GMT 29 Jun 85

[Text] All of the people should stand firmly beside the government to face any possible U.S. invasion of Nicaragua, Luis Sanchez Sancho. secretary general of the Nicaraguan Socialist Party, said in commenting on the U.S. Congress' legalization of Reagan's invasion policy.

Sanchez said that it is irritating that now, right after the celebration of the 40th anniversary of the United Nations, which established the legal bases for the self-determination of peoples, the U.S. Congress has legalized interventionist attitudes and policies against a UN member country like Nicaragua.

[Begin recording] First it is highly irritating to us that while preparations are under way to commemorate the 40th anniversary of the United Nations -- an international organization that has set the legal bases for interstate relations inspired by the principles of respect for the self-determination of peoples and nations, mutual respect for peaceful international coexistence, and the search for civilized peaceful solutions to interstate and international relations -- a superpower like the United States should approve an allegedly legal resolution that crudely tries to legitimize interventionist attitudes and policies and even establishes conditions for an eventual armed aggression against a sovereign, independent country. That is the case presented by this latest resolution approved by the U.S. House of Representatives that outlines the circumstances in which President Reagan would have broad powers to intervene militarily, send armed forces against Nicaragua, and occupy Central American territory. That is the first consideration.

Second, we feel that in view of this resolution by the House of Representatives, which practically establishes a facade of legality for the aggressive, interventionist U.S. policy, it is now more urgent than ever for truly patriotic, nationalistic, and pro-independence sectors in our country to make a great effort to unite to face a threat that becomes more serious each day and that is worsening as time goes by.

It is necessary to close ranks in support of basic, elementary principles such as the defense of the fatherland, defense of national independence, and defense of our country's territorial integrity.

We Socialists, who have been making systematic, reiterated pronouncements against the aggressive U.S. policy as it has been evolving, feel that it is now more urgent than ever to carry out joint actions -- the workers and the people in general alongside the government -- in order to create a great national front that would neutralize this threat of an invasion and react forcefully in the event that the Reagan administration actually carried out its intentions of attacking, of militarily invading our country. [end recording]

Advocates Unity Through Dialogue

PA021232 Managua Radio Noticias in Spanish 1200 GMT 1 Jul 85

[Text] During the commemoration of the Nicaraguan Socialist Party's [PSN] 41st anniversary in Esteli yesterday, Luis Sanchez said that peace must be sought not only in Manzanillo, but at home as well.

Yesterday, the PSN urged the government and the FSLN to seek patriotic accords for national unity in order to cope with the economic and social crisis. Sanchez, the PSN secretary general, also demanded the democratization of the National Assembly and the cessation of bureaucracy in the state. He demanded accords with domestic political forces to strengthen international accords for peace and the national sovereignty, which the Nicaraguan Government is negotiating at international forums.

Sanchez appealed to the government to ponder the situation. All during the event, the military mobilization in the city was clear. Several helicopters flew over Esteli, a city that was the victim of a terrorist action last week. Sanchez said that the state bureaucracy cannot be permitted to go as far as stealing medicine and dumping thousands of pounds of chicken and thousands of eggs into Lake Managua.

Sanchez also demanded that the FSLN fulfill the accords reached at the political parties summit meeting. The Socialist leader stressed that Nicaragua is passing through a tremendous economic and social crisis. He said: We are going backward, as the crab does. He said that the nation has moved backward regarding health, food production, and clothing during the 6 years of Sandinist government. He urged the government to ponder this tremendous crisis and added that the standard of living has been lowered to that of the 1950's.

Sanchez asserted that Nicaragua must have a democratic and pluralist regime rather than a single party, as the FSLN wants. He said that due to the mature and realistic stance of his party, the PSN has been labeled as reformist, pacifist, and has also been called other epithets by its enemies.

During his speech before Socialist representatives from Esteli, Matagalpa, Massaya, and Managua at the PSN cultural house in Esteli, Sanchez condemned the U.S. intervention in Nicaragua and called on his fellow party members to participate in the national defense as usual. He stressed the need for the FSLN to not defend its power only, but to defend that of all Nicaraguans as well.

He said that only in a climate of peace can the society be built and make progress in the way of the national reconstruction. Sanchez agreed with Luis Humberto Guzman of the Popular Social Christian Party [PPSC] in that progress cannot be built over ruins. In his tribute to the PSN's 41st anniversary, Guzman, leader of the PPSC parliamentarian faction, stressed the Socialists's stance for dialogue and negotiation as an alternative to the crisis in Nicaragua.

PPSC LEADER ADVOCATES 'DOMESTIC' DIALOGUE

PA012328 Managua Radio Noticias in Spanish 1200 GMT 1 Jul 85

[Text] Luis Humberto Guzman of the Popular Social Christian Party [PPSC] has said it is necessary for the government to hold a dialogue with the country's domestic forces in order to cope with the crisis.

[Begin recording] [Guzman] Our proposal stems from the deep crisis in Nicaragua. Ours is not a political proposal out of nowhere, a propaganda move, or speculation. We are trying to contribute to the solution of the serious, deep, and almost irreversible crisis we are suffering in Nicaragua. International problems are more and more acute. According to international dispatches yesterday, the U.S. Congress has ruled that, in accordance with U.S. legislation, the U.S. Government could send troops to Nicaragua without declaring war. All this occurs with impunity and without eliciting the slightest response from other countries.

This is why the Nicaraguan Government should ponder its current international situation. The country gets little or no international support. It has been a mistake to make the negotiations for peace depend on foreign factors without trying to reach domestic accords that support Nicaragua's negotiating stance at the international level. Our proposal rests on these grounds, the seeking of a broad national accord that improves the negotiating conditions for Nicaragua at the international level, helps force the U.S. Government to resume negotiations at Manzanillo, and, finally, becomes a serious and perhaps insurmountable obstacle to direct military intervention in Nicaragua. The government, however, commits a serious political mistake by continuing to (?ignore) and despise an initiative for domestic negotiation.

[Reporter] How have the various sectors -- the church, private enterprise, trade unions, and political parties -- reacted to your party's initiative?

[Guzman] The initiative has been received with interest. It is, however, a little too early for final reactions. Just to be on the safe side, I would say from what we have learned upon delivering our document and by talking with party representatives and church leaders that our proposal for negotiations has been received with interest.

[Reporter] We would like to know your stance regarding the fact that during the previous dialogue the PPSC was labeled as hesitant to participate in the meeting, which it should not have been and that now the party proposes a national dialogue?

[Guzman] We flatly reject these charges against our party. We have advocated dialogue not only now, this year, or the past few months, but for 3 years. We have advocated a national dialogue for accords leading to the solution of national crises. We reject these charges because they are completely false. We still advocate dialogue, even through this latest proposal for national solidarity.

[Question indistinct]

[Guzman] Our proposal includes negotiation with four different sectors for a simple, fundamental reason. The church has offered to act as mediator. Nevertheless, in order for someone to be able to act as mediator they must have been accepted by all parties. It is no secret that the Nicaraguan Government would not accept the church's mediation. Consequently, the church can no longer act as mediator. Therefore, we do not think the church should play a passive role [words indistinct] should be disseminators of their own negotiation with the Sandinist government. [end recording]

THIRD PARTY CONGRESS POSTPONED UNTIL FEBRUARY

FL031144 Havana Television Service in Spanish 1100 GMT 3 Jul 85

[Text] Commander in Chief Fidel Castro Ruz presided over the party's 12th plenum, held on 2 July in Havana. The event reviewed the preparations for the party's Third Congress and how deadlines were being met. The plenum established the quality of the meetings held by the rank and file organizations and the party's municipal committees, and noted that the provincial meetings are also being prepared and held in a satisfactory manner.

The Central Committee's plenum also reviewed the tense circumstances and large amount of work amid which the third congress preparations are taking place, as they coincide with other simultaneous national and international tasks. As a result of this, the plenum discussed the advisability of according more time to the process of drafting the fundamental documents that must be submitted for approval by the third congress, particularly the party's program, so these documents can be as profound and rigorous as they should be and so they can be discussed with all party militants. The decision was thus made to portpone the party's Third Congress until 4-7 February 1986.

Nonetheless, 1985 must continue to be called Year of the Third Congress, as the date of which the year's efforts must culminate has merely been postponed for a short time. The plenum also approved the draft agenda for the congress.

DIPLOMATS PREDICT MORE GOVERNMENT CHANGES

FL021757 Bridgetown CANA in English 1744 GMT 2 Jul 85

[Text] Havana, July 2, CANA-REUTER -- Cuba has injected fresh blood in many of its key government posts over the past few months and diplomats today predicted further far-reaching changes in the near future.

The Ministries of Planning, Transport and Sugar have all changed hands since last month, allowing the entry of younger technocrats into a government long dominated by old revolutionary comrades of President Fidel Castro.

Cuban sources and diplomats said the overhaul was likely to continue in the run-up to the Communist Party congress in December and predicted that Defence Minister Raul Castro, the president's younger brother, would be given a more visible role in running the country. Raul Castro is likely to be given the prime minister's job with Fidel continuing as head of state and party with more time to devote to global matters, one Cuban source said.

Linked to this would be the removal of Foreign Minister Ididoro Malmierca who is widely tipped to become Cuba's ambassador to the Soviet Union, the sources said.

One West European diplomat said: The old revolutionaries are gradually being freed from the everyday grind of running ministries, allowing them greater freedom to formulate overall policy from their seats in the Communist Party Politburo. The corresponding trend of putting younger technocrats in their positions is likely to continue up until the congress.

The diplomats recalled that the light industry minister and the head of the state finance committee were dismissed in April and that the veteran head of the state television and raido institute was replaced by one of President's Castro's elite team of personal advisers.

Fidel appears anxious that a continuity of power should be installed, avoiding the old Soviet situation of rule by a handful of men in their 1970's and 1980's, an East European diplomat said. President Castro, 59 next month, told a U.S. magazine recently that his younger brother would succeed him. There has been a notable increase recently in press coverage of the activities of Raul Castro, who is first vice president.

Any formal handover of even part of Fidel Castro's power is likely to be delayed until the congress, only the third to be held in 26 years of communist rule, diplomats said.

FIDEL CASTRO RECEIVES CENIC FOUNDER'S PLAQUE

FL021519 Havana Domestic Service in Spanish 1102 GMT 2 Jul 85

[Text] The first Founder's Plaque of the National Scientific Research Center (CENIC) has been awarded to Cuba's Commander in Chief Fidel Castro as a major supporter of that center, which is celebrating its 20th anniversary. During a ceremony in Havana, CENIC Director Carlos Gutierrez read a letter sent to Fidel Castro in which the research center workers reiterate their pledge to struggle for the future.

A diploma and plaque intended for Castro were given to Jose Ramon Balaguer, member of the Communist Party of Cuba's Secretariat and chief of the Central Committee's Education, Science and Sports Department. Plaques and diplomas were also awarded to 17 CENIC founders, who have labored uninterruptedly during 2 decades to complete diverse tasks.

At CENIC's 20th anniversary celebration, Jose Ramon Fernandez, member of the Central Committee and education minister, emphasized the need for scientists to work in line with the economy. Fernandez said that the center constitutes an important link for research, postgraduate training, and the development Cuban science. The education minister also said the CENIC's activity is evidence in the work carried out in connection with more than 20 research problems, the more than 115,000 services provided to different organizations, and the request for 200 patents. Finally, Fernandez noted CENIC's accomplishments in the areas of health, education, and the construction of modern laboratory equipment.

FLAVIO BRAVO RECEIVES UK PARLIAMENTARIANS

FL021816 Havana Television Service in Spanish 1700 GMT 2 Jul 85

[Text] Flavio Bravo, president of the National Assembly of the People's Government, has received a delegation of British parliamentarians comprised of George Foukes of the Labour Party, and Robert Jackson of the Conservative Party. The visitors were given abundant information about Cuba's position on the unpayable foreign debt burdening the Latin American peoples. Bravo also explained Cuba's disapproval of U.S. imperialism's role in the area, particularly in Central America, and of the Ronald Reagan administration's warmongering policy and constant attacks on Nicaragua.

CREDIT LINE ACCORD RENEWED WITH CANADA

FL271345 Havana Domestic Service in Spanish 1000 GMT 27 Jun 85

[Text] The renewal of a development credit line accord granted to Cuba by the Canadian Government for the purchase of goods, equipment, and services has been signed in Havana. Ricardo Alarcon, Cuban vice foreign minister, and Kenneth Bryce Williamson, Canadian ambassador to Cuba, signed the document.

GUATEMALAN ARMY'S 'REPRESSION' OF PEASANTS DESCRIBED

PA282320 Havana International Service in Spanish 0000 GMT 27 Jun 85

[Text] Jose Betancourt describes for us, in the following report, the Guatemalan Army's repression of that country's peasantry.

[Begin recording] The Guatemalan Army, through the press, has reported that in Peten Department it came across 13 families which last week had been forcibly removed by heavily armed men from their homes in the village of Turbo. The report said that the families managed to escape, and added that 105 men, women, and children had been abducted and were being taken across the border to Mexican territory. The subversives had forced them to leave their village, telling them that the Army was about to come to murder them. Army spokesman Mario Morales Paiz confirmed the kidnapping to the media, while Head of State Mejia Victores denied it, saying that it was possibly false information circulated by the guerrillas.

Meanwhile, the Rebel Armed Forces, a component of the Guatemalan National Revolutionary Unity, said in a communique circulated by the media that the peasants were forced to abandon their villages when two Army companies arrived and set fire to their houses and destroyed their crops.

Seven cooperatives and villages have been under Army occupation since 17 May, with the townspeople imprisoned in their own homes, while their few belongings are continuously stolen. The Army, in addition, put into effect a state of siege and a curfew and conscripted hundreds of young men, most of them minors, at gunpoint. The Army, in reports disseminated by the media, has admitted to some casualties as a result of clashes with guerrillas in various parts of the country, as a way of giving credibility to its reports, which has permitted it to manipulate information on the dismantling of guerrilla camps and the surrender of insurgents to Army forces. These facts have to be added to the immense psychological war that the government and the Army have been waging domestically and abroad for many years, along with its policy of terror and death in the western part of the country. [end recording]

You have been listening to a report on the Guatemalan Army's repressive actions in that country's rural areas.

HONDURAN COMMUNIST ON SOVIET INTEREST IN AREA

PA271553 Havana International Service in Spanish 0000 GMT 24 Jun 85

[Interview with Rigoberto Padilla Rush, secretary general of the Communist Party of Honduras, by Pedro Martinez Pirez; place and date not given -- recorded]

[Text] [Martinez] Mr Padilla, in the past dew days we have observed contacts such as that between CEMA and the Andean Pact and, in general, a trend in the USSR to give increasing importance to Latin America. What is your opinion of this, based on your visit to Moscow?

[Padilla] That is correct; Latin America is gaining great importance not only in the eyes of the Soviet Government and Communist Party, but also in the eyes of the Soviet people themselves, who are greatly concerned about the problems of our America, as was Jose Marti. They are especially concerned about aggressive threats against Central American peoples and, specifically, the invasion threat against Nicaragua.

In addition, they are carrying out initiatives aimed at strengthening commercial and economic ties, not to mention diplomatic ties, with Latin America. They also realize that Latin America is experiencing a decisive moment in its history. There is an extension of democracy throughout political circles in South America, despite desperate imperialist efforts to prop up old dictatorships. These dictatorships are on shaky ground; they are crumbling in the face of the impact of our peoples who no longer tolerate that kind of government, such as the one of Pinochet in Chile and that of Stroessner in Paraguay. That does not include old dictatorships in [words indistinct]. Our peoples are making progress, but concurrently the world is experiencing an economic crisis that is so great I believe our peoples will not be able to survive unless they overcome ideological barriers and taboos and decisively get in touch with the Third World and the socialist community headed by the USSR.

[Martinez] Mr Padilla, in that regard, I would like to know the impact in the USSR of the systematic campaign by Cuban President Fidel Castro on the economic crisis and its repercussions in the Third World, especially in Latin America, in other words, on the dramatic situation created by the unpayable foreign debt and the old international economic order that applies to most Latin American nations.

[Padilla] As you know, the proposal of a new economic order in the United Nations is in itself a revolution; it was presented in 1974, I believe. Since then, the socialist community and the USSR have enthusiastically supported that great initiative which, I believe, was presented by the Mexican Government. All Third World peoples embrace it enthusiastically. The idea, the thesis, that Fidel Castro maintains, which he has been explaining in various interviews with ACAN-EFE, EXCELSIOR, with various personalities who have recently interviewed him, and finally during a brilliant expose in a recent meeting in which I participated, enjoys incredible support within the socialist community and, of course, in the USSR, which fully supports it. Castro has not limited himself to denouncing a situation of looting and economic exploitation on the part of imperialism, especially U.S. imperialism against the peoples of Latin America and the Third World. This is my personal opinion, which is shared by other communist and labor leaders of America: Castro has contributed to the development of our theory and doctrine; he has given a weapon to the peoples of the Third World.

COMMENTARY ON HOUSE RESOLUTION ON NICARAGUA

FL281604 Havana Television Service in Spanish 1136 GMT 28 Jun 85

[International commentary by Roberto Alvarez Quinones during the "Revista de la Manana" program -- live]

[Text] Possibly the most serious measure the United States has taken against Nicaragua was taken yesterday in the House of Representatives when an amendment was passed authorizing the White House to send troops to Nicaragua. This shows once again, as we had commented on earlier occasions, that sometimes there is no difference between the Democratic and Republican Parties.

This amendment, which appears to lend greater support in every sense to the U.S. Government, was presented by a Democrat: Mr Thomas Foley, a Democrat in the House of Representatives, which also approved the Pentagon's budget of $292 billion that Ronald Reagan needs. We mention this because up until now the House of Representatives had been softening the hysterical U.S. campaign against Nicaragua to some degree but in the past 2 months the mission of the House of Representatives to exercise some control over certain policies of the U.S. executive has ended. This is most serious because one does not know what can happen in the United States and what this policy can lead to.

The amendment appears to have been drawn from the era of Theodore Roosevelt and Woodrow Wilson, when the United States intervened openly and directly in any Central American or Caribbean country, using the clumsiest pretexts. The United States intervened more than 100 times during that era, and amendments of this type were passed. On the present occasion, the United States says the following: The United States can intervene in Nicaragua if Nicaragua acquires MIG aircraft, if Nicaragua carries out terrorist or air hijacking activities against an allied country -- in this case, the countries of Central America -- and the United States can also intervene in Nicaragua to protect U.S. citizens. This is possibly the classic argument the United States has used every time it has intervened.

Without doubt, it is a question of the Congress supporting the U.S. policy that this administration has followed against Nicaragua, against El Salvador, and against the Central American peoples in general. This is creating the proper psychological conditions in the U.S. people so this can take place at any moment. It is a question of an amendment proposed by a Democrat, and approved by the chamber that has a Democratic majority that is supposed to be the political opposition at this time in the United States.

Really, this business of the political opposition is once again in doubt because political opposition is virtually nonexistent in the United States. This is very serious because there is an extraordinarily reactionary government, a government that is out of step with history, that approves measures that appear to be from the 1950's when we are in the 1980's, and this is really very, very dangerous.

It is as if a country, let's say Nicaragua, passed an amendment saying it can intervene in the United States if the United States installs MX missiles within its boundaries or if the United States acquires a specific type of airplane. Once again, the United States assumes a right, which no one has granted it, to be the policeman, in this case, of Central America, to decide what kinds of planes Nicaragua can have although, according to the United States, it should have no airplanes at all despite the fact that Nicaragua is openly attacked by the United States. Nevertheless, the United States imposes the condition that it can intervene if Nicaragua acquires airplanes for its defense.

The political cost to the United States of an intervention in Nicaragua is going to be very high, but this does not mean the United States is not going to intervene in Nicaragua. Bear this well in mind, because although the political cost is high, with an administration of this kind, somewhat encouraged by its own mix of hysteria, arrogance, and pride, anything can happen.

This step by the Congress is really the most serious because it has been taken with great calmness, it has been proposed by Reagan's political opposition, and it has been taken without [words indistinct], and this creates the psychological conditioning of the American people so the pretext that Nicaragua has acquired planes can be used at any moment. Or a pretext can be invented such as an attack on Costa Rica by Nicaragua, as has already been done. Or it can become necessary to protect the lives of U.S. citizens in Nicaragua. The pretext is only the moment chosen by the United States, and now there is the possibility that the United States will seize upon a pretext because the administration is now legally authorized to intervene in Nicaragua. This authorization had not formerly been achieved in Congress by the U.S. Government but is achieved now at this difficult moment when there is an escalation against Nicaragua, an escalation that is not only military but also economic -- the trade embargo and others -- and this creates the conditions under which, almost because of gravity and inertia, the American people are getting used to the idea that Nicaragua is a threat and that it is possible to intervene at any moment. Therefore, now that this measure has been taken, it is necessary to observe very carefully the steps the government takes to determine whether it is going to use some pretext or whether the pressure of the international community, which is still great even though the United States denies this, keeps the United States from making use of a pretext.

The worst of all is the fact that the pretext is now legal and can be used at any moment to intervene in Nicaragua.

POLITBURO MEMBER PRESIDES OVER ASSESSMENT MEETING

FL281158 Havana Television Service in Spanish 1102 GMT 28 Jun 85

[Text] The main agreements of an assessment meeting held in Santa Cruz del Norte, Havana Province, on progress made in the construction of the eastern thermoelectric power plant and the cardboard and Bristol board factory were to increase economic efficiency and productivity of the equipment. Pedro Miret Prieto, member of the party Politburo, presided over the meeting.

POLITBURO'S MACHADO PRAISES MATANZAS ACHIEVEMENT

FL011855 Havana Television Service in Spanish 1700 GMT 1 Jul 85

[Text] Politburo member Jose Ramon Machado Ventura presided over a provincial assessment assembly for the renewal or ratification of party officials in Cienfuegos. Summing up the important meeting, the party leader asserted that the economic and social development achieved by that province makes it a bastion of the revolution in every sense, making it possible to proclaim with pride that Cienfuegos is a territory with both a present and a future.

DEFENSE, IDEOLOGICAL WORK REVIEWED AT ASSEMBLY

FL011840 Havana Television Service in Spanish 1700 GMT 1 Jul 85

[Text] A party assessment assembly was held in Matanzas municipality. Commander of the Resolution Juan Almeida Bosque, member of the Central Committee's Politburo, was in attendance. With this meeting, the process of [word indistinct] at the municipal level ends in the Yumuri area. The main issues discussed in the central report include the various enterprises' efficiency and profitability rates, the ideological work carried out among young people, defense and the operation of the Territorial Troops Militia, and the work carried out by the party's rank and file organizations in this municipality. In his address, Juan Esteban Lazo, first secretary of the party's provincial committee in Matanzas reviewed the municipality's current situation and called for eliminating persisting deficiencies.

MIRET PRESIDES OVER CHEMICAL INDUSTRY CEREMONY

FL022343 Havana Domestic Service in Spanish 2130 GMT 2 Jul 85

[Text] Last year, chemical enterprises grew over 6 percent compared to 1983 and made profits amounting to hundreds of millions of pesos. This was announced at the chemical industry workers day ceremony held at the NICO Lopez oil refinery presided over by Politburo member Pedro Miret and Secretariat member Jaime Crombet. Joel Domenech, National Energy Commission president, Ramon Cardona, secretary general of the Chemical, Mining, and Energy Trade Union, both Central Committee members, Marco Portal, basic industry minister, and Roberto Gando, light industry minister, as well as other leaders and officials were also present. The Nico Lopez award was given to 85 of the over 600 workers who will receive it at different factories and other chemical industry units of the country. The seven national inspection Havana industrial projects winners of the first 3 months of the year receive banners in a ceremony held at a chemical plant in Cotorro. Pedro Fernandez Diaz, Central Committee member and secretary general of the Chemical Industry Trade Union, and Nguyen Xuan Phong, first counselor of the Socialist Republic of Vietnam's Embassy in Cuba presented the awards.

CARICOM SUMMIT'S FIRST DAY FOCUSES ON TRADE

FL020112 Bridgetown CANA in English 0053 GMT 2 Jul 85

[By Trevor Simpson]

[Text] Bridgetown, Barbados, July 1, CANA -- Caribbean Community (Caricom) heads of government today caucused for three hours on the nagging trade problems facing the 12-member Common Market, as their four-day summit went into its first business session. No decisions had been reached when day one of the meeting ended tonight, conference spokesman Barbados Foreign Minister Nigel Barrow said, but he described the opening discussions as extensive, businesslike, cordial but very frank.

Conference sources said several of Trinidad and Tobago's trading partners, including Jamaica and Barbados, have been pressing Port-of-Spain to lift its controversial import licensing system, blamed for a severe decline in intraregional trading and thousands of lost factory jobs. But the Trinidadians are insisting that the question of trade in Caricom not be divorced from other economic areas, including support for its national airline, BWIA [British West Indies Airline] International, which it has been seeking to have designated the official Caricom carrier. Port-of-Spain also wants included in any compromise package concrete arrangements for settling multi-million-dollar debts incurred by the Caricom-financed West Indies Shipping Corporation (WISCO) and the Caribbean Agricultural Research and Development Institute (CARDI). Trinidad and Tobago, as host to both organisations, is the guarantor for the debt, which conference sources said totals about TT8 million dollars (one TT doll: 41 cents U.S.) in the case of WISCO.

The opening plenary session of less than an hour dealt in the main with housekeeping matters, including approval of the 14-point agenda, and referred all political issues to caucus. Barrow said substantial progress had been made by the economic and general committee of the conference, which today dealt almost exclusively with the future of the financially-troubled WISCO. Included were proposals for the Bahamas, newest member of the community, to become a shareholder in the shipping line, which serves virtually all Caricom states.

Barrow said the Caricom finance ministers would now meet on Wednesday. He gave no indication of their agenda, but it is expected to centre on a formula for reviving the suspended Caricom Multilateral Clearing Facility (CMCF), which used to provide a vital credit mechanism for intraregional trade. The CMCF went bust in April 1983 when it reached its U.S. 100 million dollar credit ceiling, largely because of Guyana's inability to pay. Barrow said the heads will resume tomorrow at 9:30 am.

Leaders Hold Private Talks

FL022001 Bridgetown CANA in English 1902 GMT 2 Jul 85

[By Trevor Simpson]

[Text] Bridgetown, Barbados, July 2, CANA -- Ways and means of reducing Guyana's half-billion-dollar (TT) indebtedness to Trinidad and Tobago was the main talking point when the leaders of the two Caribbean Community (Caricom) states met privately here today, sources close to the talks said.

Trinidad and Tobago Prime Minister George Chambers invited the Guyana President Forbes Burnham for discussions in his suite, as fellow Caricom leaders went into day two of their closed-foor summit at the Marriott's Sam Lord's Castle Resort, 14 miles outside Bridgetown.

The sources said it was the third in a series of heads of government bilaterals for Chambers, who met last night with Jamaica Prime Minister Edward Seaga and earlier with his Barbados counterpart Bernard St John.

Guyana, whose economy is in crisis, with a slump in returns from its key export sectors, has been unable to substantially lower its indebtedness to Port-of-Spain. The debt represents unpaid balance of payments, support loans, and monies owing for oil imports from Port-of-Spain. Guyana, the sources said, has offered to lower the debt by providing Trinidad and Tobago with rice and utility poles. But the sources said Port-of-Spain has dismissed this as inadequate and is seeking more substantial arrangements.

Jamaica, the sources said, owes Trinidad and Tobago about U.S. 100 million dollars -- mostly the result of unpaid balance of payments support loans dating as far back as 1974. Seaga was told of Trinidad manufacturers' complaints that Jamaica's frequent currency devaluations were giving Kingston's exporters a clear advantage over all others in the 12-member Caribbean Common Market. Kingston, on the other hand, expressed its concern over Port-of-Spain's continued enforcement of an import licensing regime, which has had the effect of slowing the flow of Caricom goods into what is the community's main market.

Barbados, whose exports to Trinidad fell by 14.4 percent last year, expressed a similar concern about barriers to the Port-of-Spain market. St John, the sources said, also received from Chambers assurances that Trinidad and Tobago's national airline, BWIA, will take up air routes long offered by the Barbados Government between Bridgetown and the U.S. cities of Baltimore, Boston, and Washington, D.C. Barbados considers the introduction of these new services important to its key foreign-exchange-earning tourism industry.

The sources said few concrete decisions have come out of the bilaterals so far and follow-up meetings have been arranged in which during its petro-dollar bonanza provided millions of dollars in aid to its Caricom partners, is now in the midst of an economic restructuring programme, to cope with a downturn in its oil fortunes. [sentence as received]

Caricom leaders came to the four-day summit expressly aiming to resolve snags that contributed to last year's 11.9 percent decline in intraregional trade, and the attendant loss in factory jobs regionwide. But Port-of-Spain, whose import restrictions are considered by most other Caricom exporting countries to be the main contributor to the problem, has shown little interest in caucus discussion on this issue. Trinidad sources say Port-of-Spain wants instead to link the trade question to the outstanding debts owed by other member states, a commitment to BWIA, and the outstanding money issues surrounding the Caricom-financed West Indies Shipping Corporation (WISCO), and the Caribbean Agricultural Research and Development Institute.

DOMINICA

CHARLES ON CHALLENGES OF SECOND TERM

FL022051 Bridgetown CANA in English 2041 GMT 2 Jul 85

[Text] Roseau, Dominica, July 2, CANA-REUTER -- Dominica Prime Minister Eugenia Charles, reelected with a reduced majority but with an increased share of the vote, faces tough political and economic problems in her second term. Charles' Dominica Freedom Party (DFP) won 15 seats in the 21-seat parliament to five for the Dominica Labour Party (DLP). The DFP took 17 seats in the 1980 election, with 52 per cent of the vote, increased to nearly 59 per cent yesterday. The 66-year-old lawyer ran on what the DFP claimed was a successful first five years, her close ties with the United States and other Western nations helping a flow of aid to the island's hard-pressed economy.

Charles will almost immediately face a major challenge from the powerful Civil Service Association (CSA), whose 2,000 members are demanding a 47.5 per cent pay increase. The government has offered only four per cent. Charles says a higher offer is not justified in view of her success in bringing inflation down from 30 per cent to 2.5 per cent in the past five years.

Facing the press last night at campaign headquarters she admitted the increased labour poll means the DFP will need to explain its policies more carefully to the people. Charles said the election of four labour candidates who she described as communists would cause problems in the next parliament and that action would have to be taken. Among those she said were communist are DLP leader Michael Douglas and his brother Rosie. We're going to continue to plan for progress and this is one way of countering the things they will be doing, she said.

Charles faces tough opposition in the next assembly, particularly from Michael Douglas, who denies he is communist but had promised to restore ties with Cuba. The DLP leader said today at his Portsmouth constituency he would resign and seek a vote of confidence from the party but that the results of the elections were almost a win for us.

Former Prime Minister Patrick John will also be among the opposition. John, who also says he is against communism but has clashed with Charles, faces a retrial on October 7 on charges of conspiring to overthrow the DFP government in 1981, after Charles appealed his acquittal. The government is making a personal vendetta against me but I am not concerned about the new trial, he said.

Charles said the DLP had substantial popular support on account of widespread poverty and that a lot more needs to be done before Dominica can emerge from its desperate economic straits and that the island's 74,000 inhabitants will continue to suffer a lack of basic essentials. She said her new government will continue its programme of seeking aid from Western donors, mainly to build roads, efforts to revive the struggling banana industry and a diversification of trade ties in Latin America. She said she sees limited potential for economic improvements through the 13-nation Caribbean Community (Caricom) at present but is interested in a Puerto Rican proposal to use funds from a tax loophole granted U.S. companies operating there. The scheme, which Puerto Rican Governor Hernandez Colon proposes extending throughout the Caribbean, is based on the tax-exempt status for U.S. firms operating there provided profits are reinvested there. Hernandez wants to mobilise this money for projects in the region.

Comments on Elections

FL022121 Bridgetown CANA in English 2058 GMT 2 Jul 85

[Text] Roseau, Dominica, July 2, CANA -- Prime Minister Eugenia Charles, re-elected with a reduced parliamentary majority, says winning yesterday's hard-fought election would have been more difficult if there had not been a shift in support from Caribbean leftist parties two years ago.

They would have won many more seats if we hadn't had the October thing in Grenada, she said, referring to the 1983 bloody upheavals in leftist Prime Minister Maurice Bishop's revolutionary government. I think a lot of the younger people who have followed them were put off by the Grenada thing. She told reporters the left found in Dominica and other developing countries a lot of disadvantages easy to prey on, to talk on, and to build on.

Her government, which came to power in 1980, had made progress in redressing 12 years of neglect, but a lot more needed to be done to improve social and economic conditions, she said. You don't get over (the period of neglect) in five years, she asserted. It takes a lot more than five years, a lot more money than I've had to get over it.

Miss Charles' Dominica Freedom Party (DFP) won 15 of the 21 parliamentary seats at stake in the election. In the 1980 poll it had picked up 17. The DFP collected 58.8 per cent of the votes, compared with about 52 per cent in the last election. Her main opponents -- the Dominica Labour Party (DLP) -- picked up five seats and the United Dominica Labour Party's (UDLP) lone candidate, leftist politician Rosie Douglas, the other. The six Dominica Progressive Force (DPF) members lost their deposits.

Miss Charles' pro-American party had billed the election, the second since the island gained political independence from Britain in 1978, as a straight fight between communism and conservative government. At campaign headquarters last night, she told the press that with all the financial assistance some countries had given to the communists she thought the DFP had done pretty well in the election. She said she expected the left here to become more vocal because of the parliamentary seats won yesterday. The DFP, she added, will need to explain its policies more carefully to the people. We're going to continue to plan for progress, she said, and this is one way of counteracting the things they will be doing.

Miss Charles said she hoped to have her cabinet sworn in tomorrow. Some changes are expected to be made in the cabinet, but not significant. Miss Charles is favoured to retain responsibility for foreign affairs and finance. She indicated that there would be no foreign policy shifts. Asked about the possibility of diplomatic relations with China for a country which has ties with Taiwan, Miss Charles said: I don't change friendships easily. I don't mind having additional friendships. I am very loyal to my friends.

Today the Dominica capital, Roseau, took on the air of a carnival city as supporters of Prime Minister Charles celebrated the election win. On what was supposed to be a normal working day, several people were dancing in the rain-soaked streets or tooting car horns.

Electoral officials said 71.2 per cent of the just over 45,000 voters had cast ballots.

DLP Leader Michael Douglas retained his Portsmouth seat, again defeating DFP Minister without Portfolio Charles Savarin. The elections also saw the successful return of ex-Prime Minister Patrick John, who had lost his seat in the 1980 election. On a DLP ticket, he won the St Joseph constituency seat by 73 votes from the DFP Candidate Kaleb Laurent. But Oliver Seraphin, another ex-prime minister in the Labour Party, was beaten by 39 votes in his clash with DFP candidate James Royer from the Salisbury seat. The closest win was a seven-vote one in Salybia, where the Caribs live. The DFP candidate Ann Timothy gained 521 votes, compared with 514 for former Carib chief and DLP candidate, Hilary Frederick. Prime Minister Charles and Legal Affairs Minister Ronan David had the easiest wins -- by over 1,000 votes. Miss Charles defeated her DLP rival for the Central Roseau seat, Yvette Barzey, by 1,637 votes to 635. David picked up 1,567 votes against DLP candidate Hubert Winston's 529 for the South Roseau seat.

DOUGLAS OFFERS TO RESIGN DLP LEADERSHIP

FL021539 Bridgetown CANA in English 1457 GMT 2 Jul 85

[By Peter Richards]

[Text] Roseau, Dominica, Jul 2, CANA -- Following the defeat of the Dominica Labour Party (DLP) in yesterday's general election, leader Michael Douglas said today that he is to seek a vote of confidence by offering his resignation to the party executive next week.

I have in fact lost the elections and I will offer my resignation to the party, and if the party chooses to have me as leader that is alright with me, Douglas told reporters. The DLP won five of the 21 seats at stake in the election which saw the Dominica Freedom Party (DFP) of Prime Minister Eugenia Charles retain power with 15 seats.

Douglas said that his decision was aimed at ensuring that any leader who fights an election in the Labour Party and loses must submit his resignation to the party. If they (the party) feel they want to reject it and ask you to stay on and ask you to be leader of the opposition, then fair enough.

Douglas said that his party's defeat was mainly because the electorate had not been fully aware of the unification process within the DLP and the well orchestrated propaganda of the ruling party. Of course a loser is always disappointed. But if you look where we were coming from, you will recall that we lost the 1980 elections badly and the party went through a lot of soul searching. We had to fight against the propaganda of the Freedom Party. Quite frankly we had nothing to lose in this election. It is almost a win for us; we now know that there's a lot of labourites on the island. We have reorganized the party; perhaps we did not have enough time to reap the benefits of it, he told reporters from his home in Portsmouth, 52 miles north of here.

Douglas announced in January that two splinter labour groups, which held two seats in the last parliament, had merged under his leadership after months of negotiation. He told reporters today that the election had allowed his party to identify new blood for future general elections, and hinted at the possibility of a major shake up in the Labour Party composition. This election has allowed us to see a number of talented people, and with the new opposition in parliament, I think you will find things will be different in Dominican politics. Democracy will certainly be healthier than in the 1980-85 period. What begins now is an opportunity to build from solid foundations. Certainly those who have lost for a second time, one can say that's it for them; it will allow us to blood new people [presumably to get new blood into the party].

Observers said Douglas remarks may have been directed at party elders, former Prime Minister Oliver Seraphine and former Finance Minister Vic Riviere, both of whom lost for the second successive time. Seraphine, who was prime minister here following the political disturbances that rocked the Labour Party in 1979, lost the Salisbury constituency to a newcomer in politics, James Royer of the ruling party. Said Douglas: I don't think we have anything to be ashamed of. Against all odds we have come out of this election defeated but not humiliated.

ROSIE DOUGLAS TERMS ELECTION WIN 'GREAT VICTORY'

FL022041 Bridgetown CANA in English 1951 GMT 2 Jul 85

[Text] Roseau, Dominica, July 2, CANA -- Dominica's best known leftist politician, Rosie Douglas, said today his election to the Dominican parliament augured well for progressive political organisations in the Caribbean. Douglas, brother of the leader of the main opposition Dominica Labour Party (DLP) Michael Douglas, defeated incumbent Jenner Armour in the Paix Bouche constituency, east of here, by polling 558 to 497 votes cast for his opponent.

Douglas, who has been labelled a communist here by the ruling Dominica Freedom Party (DFP), today told newsmen I think the result was a great victory not only for me, and in fact the people of the Caribbean, because I am the first candidate pushing a line of progressive and liberation of the Caribbean being able to be elected in a democratic election. I think it points a direction for all the poor and working people in the Caribbean, and that I will have to speak not only for my constituency but for all the people, the 44-year-old Douglas said.

He said that it was obvious from the results that the charges of communism laid against him had not worked though he admitted that in the final weeks of the campaign he lost some support because of the allegations. He said that the people of his constituency knew him and that I have given my life towards working for the working people.

Douglas, who was banned from Canada in the early 1970's for his involvement in disturbances at a Canadian university, said that this victory was only the beginning of a new movement in the region. I know that the idea of social justice and progress, non-alignment and peace which I advocate have wide support in Dominica and I am sure that this will go out of our country and into the Caribbean. This is only the beginning of a new movement to liberate our country from the control of the big landowners and big capitalists and put the country into the hands of the workers, the small farmers and the people who produce the wealth of the country.

Douglas declined to be drawn into whether, as widely expected, he would throw his support behind the DLP to which he had previously been said to be closely aligned. Observers said Douglas was encouraged by his brother to run as an independent in order to lessen the impact of government charges that the DLP was communist. In the event, he ran as a contested surprise candidate of the United Dominica Labour Party (UDLP).

The UDLP was formerly headed by Michael Douglas and was one of the splinter labour parties that rejoined forces earlier this year to form the new DLP. At a recent press conference, Michael Douglas said that technically the UDLP still existed even though he was no longer its political leader because it needed a convention of the party to allow for its dissolution. To date, there has been no convention and the constitution of the party allows for its general secretary, who is Rosie Douglas, to head the party in the absence of a political leader.

GRENADA

GOVERNMENT FIRM ON RETURN OF CUBAN EQUIPMENT

FL021630 Bonaire Trans World Radio in English 1130 GMT 2 Jul 85

[Text] Grenada is prepared to go to court to fight Cuban claims on equipment used to build the airport at Point Salines. Sources said yesterday that the 7-month-old government of Prime Minister Herbert Blaize will stand firm in refusing to return the equipment which includes trucks, tractors, and other large-scale construction machinery. Grenada has maintained legal documents showing it outright purchased some of the equipment and the rest was given as a gift by Cuba.

JAMAICA

THOUSANDS OF PUBLIC SECTOR WORKERS LAID OFF

FL021611 Kingston Domestic Service in English 0500 GMT 2 Jul 85

[Text] About 2,700 workers have been displaced since last Friday as the new round of public sector layoffs spoken of by Prime Minister Edward Seaga in his budget presentation takes effect. Since Friday, thousands of workers across the island have been receiving layoff and redundancy notices, but a spokesman for the Ministry of the Public Service says some may be reemployed by the firms contracted by the government to provide services.

Our [word indistinct] correspondent reports that the entire staff of the Parish Council's Road and Works Department, excepting the superintendent and two senior officers, were served with redundancy notices yesterday. Twenty-nine workers from the Spanish (County infirmary) were also made redundant yesterday. In Kingston, 20 workers from the Hope Zoo and 58 from the public gardens of Hope are being made redundant. Workers from Jamaican Movement for the Advancement of Literacy [JAMAL], the Price Commission, and the Ministry of Social Security have also been served with redundancy notices. And it's been reported that 190 auxillary workers in a Kingston hospital region and about (106) community health aides will be made redundant.

UNIONS WANT SUSPENSION NOTICES WITHDRAWN

FL021701 Bridgetwon CANA in English 1634 GMT 2 Jul 85

[Text] Kingston, Jamaica, July 2, CANA -- Three of the trade unions which called last week's disruptive general strike here have called on the state-owned light and power company to withdraw suspension notices to some of their members. Failure to do so would mean strong and concerted action by workers in order to protect their rights, the unions told the Jamaica Public Service (JPS) company. The government-aligned Bustamante Industrial Trade Union (BITU), the opposition affiliated National Workers' Union (NWU), and the Union of Technical, Administrative and Supervisory Personnel (UTASP), were responding to the decision by the company to serve indefinite suspension notices on about 200 workers yesterday. The workers, sent home without pay, pending inquiries, were apparently those who stayed home all of last week. The JPS said that by staying away without permission they had breached its rules of conduct. The strike, called by six major unions here to press the government to increase its pay offer to public sector employees, halt lay-offs and slow the movement in the cost of living, severely hampered business and government activity on Monday and Tuesday, but began to lose momentum by Wednesday. Most people were back at work by Thursday, though the strike was not formally called off until Sunday. Apart from the JPS workers' union, officials said about 1,200 firemen have been suspended, pending disciplinary proceedings. The Army continues to man fire stations. The firemen's union have not made a public statement on the issue, but fire chief, Allan Ridgeway, has told those fire fighters who had a legitimate reason to be away from the job last week to submit it in writing.

Prime Minister Edward Seaga had last weekend warned of action against firemen and power and water workers who participated in the strike. He said the government did not intend to helplessly watch essential services disrupted by rebellious elements. The unions involved in the new dispute at the power company are expected to meet with the management at the Labour Ministry today.

NETHERLANDS ANTILLES

CURACAO STRIKING DOCK WORKERS RETURN TO WORK

FL281648 Hilversum International Service in English 1030 GMT 28 Jun 85

[Text] On Curacao, striking dock workers are back on the job again on order of the Willemstad Court. The dockers walked out last week in protest against a government decision permitting the Curacao Mining Company to unload its own cement in Fuikbaai. The dock workers union say they fear this will cost 30 workers in Willemstad their jobs. On Tuesday, after a ship owner had brought an injunction against the strike, the Willemstad Court ordered the dockers to offload one of the waiting freighters in the harbor. The order also called on the Dock Workers Union to resume negotiations with a stevedore company and harbor authorities. This decided the union to bring a 2-week halt to that strike.